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The weather at major Swissair destinations

MIN	MAX	C	F	Cloud
AMSTERDAM	14	27	81	Clear
BRUSSELS	15	28	82	Clear
BUENOS AIRES	13	26	78	Clear
CHICAGO	18	24	75	Cloudy
COPENHAGEN	18	24	75	Cloudy
FRANKFURT	18	24	75	Cloudy
GENEVA	12	24	75	Cloudy
Helsinki	14	21	70	Cloudy
HONG KONG	26	32	91	Clear
JOHANNESBURG	8	20	68	Clear
LISBON	17	23	73	Clear
LONDON	19	27	81	Clear
MADRID	18	24	75	Clear
MONTREAL	17	23	73	Cloudy
NEW YORK	22	30	80	Cloudy
OSLO	17	23	73	Cloudy
PARIS	17	23	73	Cloudy
RIO DE JANEIRO	14	25	77	Cloudy
ROME	17	23	73	Cloudy
SAO PAULO	17	23	73	Cloudy
STOCKHOLM	18	24	75	Cloudy
TOKYO	22	28	82	Clear
TORONTO	18	24	75	Cloudy
VIENNA	16	21	70	Clear
ZURICH	18	24	75	Clear

For the latest weather conditions, contact Swissair

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THE WEATHER

Yesterday's	Yesterday's	Today's
Humidity	Min-Max	Min-Max
Jerusalem	17-23	17-30
Golan	37	19-22
Nahariya	67	20-32
Safed	29	22-31
Haifa Port	67	25-30
Tiberias	28	23-38
Nazareth	38	21-32
Afula	48	24-33
Shomron	42	19-33
Tel Aviv	67	23-32
B-G Airport	47	23-32
Jericho	35	21-38
Gaza	80	23-29
Beerseba	28	20-35
Eilat	8	24-41
Tiran Straits		

Air Quality

The following air quality reports were published yesterday by the Environmental Protection Service: Haifa — fair; Emek Hefer, Netanya, Ashdod and Beerseba — good; Jerusalem — fair, due to a high concentration of ozone. Air quality forecast for today: A further slight worsening of conditions, especially in the coastal area.

SOCIAL & PERSONAL

New York Republican Congressman Guy Molinari and Raymond McGrath yesterday visited Boys Town in Jerusalem, where they met with assistant dean Rabbi Jay Marcus.

Professor Eliezer Jaffe will speak about Project Renewal at the meeting of Rotary Jerusalem West tonight at 7 p.m. at the King David Hotel.

Marriage

Food columnist and author Phyllis Glazer yesterday married Yonatan Peres, son of Labour Party chairman Shimon Peres. The wedding took place at the Casa del Sol restaurant outside of Tel Aviv. The menu was all vegetarian. Attending were President Yitzhak Navon, former defence minister Ezer Weizman, Aluf (Res.) Rehavam Ze'evi and other public figures.

In Memoriam

The shloshim for Hetty Muriel Moshenson (née Bentwich) will be held at 4 p.m. at the Zichron Ya'acov cemetery. Mrs. Moshenson died on July 17 at the age of 92.

Man killed in Hebron

HEBRON (Iim). — A spate of serious crimes in the Hebron Hills area has left one youth dead and another critically hurt. The body of a 19-year-old man from the village of Yata was found yesterday in a deep pit in the village. Police suspect that the man, who was reported missing a week ago, was murdered. In a separate incident, Salah et-Tawil, 23, was stabbed and critically wounded in the stomach yesterday in Hebron. Police arrested three members of the injured man's family.

Correction

Israel voted for the creation of a nuclear-free zone in the Middle East in the UN General Assembly on December 12, 1980, as proposed in an Egyptian resolution, and not as reported in yesterday's Jerusalem Post in a quotation from The Washington Post.

HOME & WORLD NEWS

Sharon says no delay in Negev air bases

By JEFFREY HELLER
Jerusalem Post Reporter

Defence Minister Ariel Sharon said yesterday that there were no delays in the construction schedule at the two Negev air bases being built, to replace those which Israel will evacuate in Sinai by April 1982.

Sharon told the cabinet at its weekly meeting yesterday that he visited the construction sites last week and had been assured that work was proceeding according to plan. Sharon was commenting on a report in the Los Angeles Times which spoke of serious delays in the work at the bases, which could weaken the air force's readiness after the evacuation.

The American builders of the air bases said yesterday that the Ramon and Ovda sites will be operational by April 1982, but would neither confirm nor deny reports that construction work was behind schedule.

The Los Angeles Times story Saturday quoted the commander of the Israel Air Force Eitam base in Sinai as saying the Americans building the new Negev facilities would not get the job done on time.

Failure to complete vital facilities such as runways or jet fuel storage tanks would hit hard at the operational capability of the air force, and might spur the government to ask Egypt for an extension of the April 1982 Sinai withdrawal deadline, the Israeli colonel was quoted as saying.

But a spokesman for the U.S. Army Corps of Engineers, which is in charge of construction of the bases, said the fears were unfounded.

The spokesman said the corps would fulfill its obligations and commitments to make the bases initially operational by "the agreed upon dates."

Certain aspects of the construction work — the spokesman used "landscaping" as an example — may not be completed by April. But, the spokesman said, deadlines vary for different jobs.

Runways and fuel depots, the spokesman said, would be operational on time.

Informed sources said yesterday the Americans have been running weeks behind in the completion of housing facilities and storage depots at the Negev air bases. The delays, they said, are holding up the transfer of air force families and equipment from Sinai.

The sources stressed, however, that essential facilities necessary for air force operations would be ready by withdrawal time.

The Defence Ministry yesterday said "the delays (in the construction) of a number of facilities at the air bases will be made up, within a few months, according to the estimates of the official American elements and the airport authority."

Informed sources said 370 buildings will be transferred from two air bases in Sinai. Electric and water lines and air-conditioning units will also be moved. Certain structures at the bases will be left for the use of the multi-national force that will patrol Sinai following the withdrawal.

A senior officer at the Eitam base told Israel Radio that during the multi-stage air force pullback, one of the bases will be fully operational until the final withdrawal is made.

Kafr Yasif accepts sulha proposals

By YOEL DAR
Jerusalem Post Reporter

ACRE. — Kafr Yasif representatives on Saturday accepted proposals by the Interior Ministry's reconciliation committee to end the dispute with the neighbouring Druse village of Julis. The Christian villagers are to receive IS20 million in compensation for the damage caused in the attack on them by Julis residents last April.

In that gun and grenade attack, which was sparked by a fracas at a football game between teams from the two villages, two Kafr Yasif residents died, a number were injured and dozens of buildings, including

the local church, were damaged. According to the proposals, the government will provide IS10 million of the compensation, while IS8 million will come from private contributions from Israel and from abroad. The remaining IS2m. will be paid by Julis residents.

But last month Deputy Prime Minister Simha Ehrlich announced that the government would not contribute funds towards the settlement. The reconciliation committee intends to try to persuade the government officials to reverse this position.

The sulha ceremony between the two villages is scheduled for September 15.

Kiryat Shmona gets a trouble-shooter

Jerusalem Post Reporter

The Upper Galilee development town of Kiryat Shmona has finally got a trouble-shooter to solve its problems: Ya'acov Meridor.

The cabinet yesterday approved the formation of its first committee, chaired by Meridor, who is officially minister of the economy and of inter-ministerial coordination.

Other members of the Kiryat Shmona Committee are Finance Minister Yoram Aridor, Defence Minister Ariel Sharon, Housing Minister David Levy, Health Minister Eliezer Shostak, and Interior, Police and Religious Affairs Minister Yosef Burg.

Sharon raised the issue of the need for a special cabinet body to take care of Kiryat Shmona at the body's weekly meeting, after describing the disorganized picture he encountered on his visit to the town.

Meridor also reported on his visit to Kiryat Shmona and on the urgent need to spur projects and coordinate operations of government bodies.

Meridor said the new cabinet committee will meet this week, and one of its first tasks will be to approve his personal representative in the town.

Accord on Jerusalem school plan

Jerusalem Post Reporter

The Education Ministry and the Jerusalem municipality on Friday reached agreement on the future of the junior high school reform plan in the capital.

A new junior high at the Gymnasium Rehavia will be opened at the start of the 1982-83 school year and not next month, as was originally planned.

It was also agreed that graduates of Beit Haged primary school's 8th grade will move on to the junior high at Municipal School Gimel (Beit Hinuch).

The school reform, aimed at creating junior high schools to form a bridge between primary and high schools, was begun over a decade ago in a drive to integrate youngsters from different Jewish ethnic communities.

A fortnight ago, the municipality asked for the removal of the Education Ministry's Jerusalem district head, Gershon Bergson. The city maintained — and still maintains — that Bergson is opposed to integration and has hampered the school reform in the capital. But the ministry last week backed Bergson and refused to fire him.

Archeologists to rally at City of David excavation

By BENNY MORRIS
Jerusalem Post Reporter

Israel's leading archeologists and their supporters will hold a massive open-air rally at the City of David excavations on Wednesday to protest the continued suspension of the archeological dig in the area.

This is seen as a major step in the campaign to stymie the ultra-Orthodox efforts who are trying to end the dig, which they claim is desecrating a centuries-old Jewish cemetery.

The archeologists, backed by the Hebrew University, deny that there are remains of a cemetery in the area, and say that the ultra-Orthodox actions are an assault on

the freedom of academic research and on scientific discovery.

At a meeting yesterday with the emergency committee of the Israel Exploration Society the heads of the HU pledged to support to the hilt the campaign to resume the dig, including going to court.

The dig was suspended over a week ago after ultra-Orthodox elements on August 3 attacked archeologists there.

Chief Rabbi Shlomo Goren has repeatedly expressed support for this position.

Dr. Yigael Shilo is in charge of the dig in the City of David.

The Jerusalem Post has learned that Goren and Chief Rabbi Ovadia



A newly married couple from South Lebanon enjoys a dance with friends at the Good Fence in Metulla yesterday before entering Israel for a Nahariya honeymoon.

Egyptian deputy premier says Cairo not competing with Israel as U.S. ally

CAIRO (AP). — Egypt yesterday denied reports published abroad alleging that President Anwar Sadat told U.S. President Ronald Reagan that Egypt has replaced Israel as America's closest ally in the Middle East.

A report in The Sunday Times of London earlier yesterday said that the Egyptian leader's argument that Egypt was more important than Israel to the U.S. came in a letter he handed Reagan during his recent visit to Washington. The report said the letter also contained a pledge to extend "every facility" to the U.S. in any future crisis.

But Egypt's deputy premier and minister for foreign affairs, Kamal Hassan Ali, in remarks to the Associated Press said "Egypt is not comparing itself to Israel. There is no competition between us for attention from the United States as this report seems to suggest."

Furthermore he said, Sadat had not given Reagan a letter during this visit.

However, he emphasized that Egypt remains committed to its pledge, made in writing to the U.S. administration earlier this year, that it will extend "every facility" to the U.S. in any future crisis in the area.

The Sunday Times also quoted Sadat as saying in an interview that he still believed it was possible for him and Israeli Prime Minister Menachem Begin to sign an interim agreement for autonomy for the West Bank and Gaza under the terms of the Camp David peace plan.

Once an interim agreement was signed, the two countries would also sign a joint declaration to include King Hussein of Jordan. "We intend, Menachem and me, to ask King Hussein to assume his responsibilities on the West Bank," Sadat said.

Father of four stabbed to death

Jerusalem Post Reporter

TEL AVIV. — A 51-year-old father of four was stabbed to death yesterday, and police suspect that the victim knew his murderer.

The body of Raymond Smaga was found in bed by his son, a member of the Border Police, when he arrived on leave at the Nahalat Benyamin Street flat. Smaga, a postal worker, had been stabbed three times in the back.

Police reported that the door to the flat had not been forced, and the key was in the inside lock when they

arrived on the scene. Police also said the knife believed to be the murder weapon was found in the kitchen and had been washed.

A special team has been named to investigate the murder from "a number of angles, including a romantic one," a police spokesman said. Smaga had been divorced for two years.

Among the police responding to the call from Smaga's son was the new district commander, Tzi-Nitzav Avraham Turgeim, in his first day on the job.

SHARON MEETS

(Continued from page one)

policy which were within its purview. Sharon told the cabinet at its weekly meeting, but the policy as such conformed to the relevant cabinet decisions on the areas, he said.

Sharon was replying to a query by Communications Minister Mordechai Zipori (formerly deputy defence minister) who asked about last week's reports of a new velvet-glove military government policy, and wanted to know whether such policy had been discussed and approved at government level.

Last Wednesday a Defence Ministry source briefed reporters about what he called Sharon's "new ministry guidelines" on relations between the military government and the Arabs in the areas. He did not call it a "policy" as such. Sharon had worked out the guidelines with the prime minister, it was said.

Sharon apparently had not cleared with Begin beforehand that he intended to give massive publicity to his new guidelines, and Begin was displeased at the impression that Sharon was breaking new ground without permission.

Since last Wednesday, the sole measure taken by the military government has been to dismantle the Erez roadblock, which used to check traffic to and from the Gaza

Strip. This measure has been attributed to the desire to allay bitterness among Gaza Arabs working in Israel over a totally different issue — the Ashdod crossroads traffic accident, in which 22 Arabs died last Monday.

Meanwhile, Reuter reports from Cairo that Egyptian Minister of State for Foreign Affairs Butros Ghali said yesterday that Israeli proposals to ease tension in the territories could help towards peace in the Middle East.

"If the Palestinians respond to the measures, we will have overcome an obstacle and got closer to a comprehensive peace," he said in an interview on Cairo Radio.

But he said that the proposed changes could add a new obstacle to peace if they proved superficial and the Palestinian people rejected them. Egypt has twice sent memoranda to the Israeli authorities calling for confidence-building measures in the West Bank and Gaza Strip to persuade the 1.2 million Palestinians living there to take part in the U.S.-sponsored autonomy talks.

JAIL BREAKS. — Four recreational clubs were opened yesterday for prison workers in military jail No. 6, with equipment and furniture provided by the Soldiers Welfare Association.

Major sick funds oppose regional hospitalization plan

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Health Minister Eliezer Shostak this week will discuss with the heads of Israel's three largest sick funds the ministry's plan for regional hospitalization as of September 1.

The managements of the Histadrut's Kupat Holim, Kupat Holim Maccabi and Kupat Holim Meuhedet strongly oppose regional hospitalization. They say they received the guidelines for the plan only last week and it leaves much to be desired.

The sick funds claim that regional hospitalization would lead to the collapse of their control over patients' payments, in addition to being detrimental to the patients.

The guidelines, as set forth by the ministry, reportedly enable patients to be hospitalized without first being checked whether they have or have not paid their medical insurance.

The sick funds say that because

the reorganization for regional hospitalization would cost a lot of money, the government must them out of their present financial difficulties.

The sick funds demand that patient under treatment in a hospital be allowed to receive treatment there and be transferred to another, according to place of residence.

A ministry spokeswoman said that the regional hospitalization plan was worked out with the funds. She said the plan would be the state and the funds huge and that the ministry has set control system to supervise it.

It has been learned that Shostak intends to propose to the chair of the Histadrut's Kupat H. Professor Haim Doron, the establishment of a super hospitalization authority — a Shostak cancelled when he left office four years ago — to super implementing the regional hospitalization plan.

F-16 EMBARGO

(Continued from page one)

One point in Haig's letter, Begin told the cabinet, was American rejection of Sadat's call to give the PLO a different status.

Begin told reporters that Israel was "worried" about the flow of weapons to the PLO in Lebanon, and he would tell Haig about it.

He said Israel was still as concerned as ever about the presence of the Syrian missiles on Lebanese soil. Israel wanted to know whether Middle East envoy Habib would resume his diplomatic mission or not.

Whatever the case, Israel would not put up with another war of attrition by the PLO in the North, Begin said, stressing that the PLO activities were under constant aerial observation, and that the U.S. was on record that reconnaissance overflights were not a violation of the cease-fire.

The prime minister referred to his coming trips to Alexandria on August 25 and to Washington on September 8. Defence Minister Ariel Sharon is not going to Cairo separately, he said.

At his Alexandria summit with

Sadat, Begin said, he would discuss the resumption of the talks: autonomy for the Arabs of areas, and the continuation of Camp David peace process. Washington summit would cover those and other issues, he said. Foreign Minister Yitzhak Sh. Interior Minister Yosef Burg Sharon would accompany him. Alexandria and to Washington Begin said.

Begin said he would tell Jewish leaders in New York and on former president Jimmy Carter in Plains, Georgia.

Asked about the Saudi plan, outlined by Prince Fahd to Saudi news agency, Begin said it is no peace plan at all. It is a plan to liquidate Israel in stages.

With statements in mind in last week by two ministers of Liberal wing of the Likud about Saudi peace plan, Begin urged ministers to restrict their public statements to matters which concerned their own departments.

Sharon told the cabinet that Kiryat Shmona construction of additional shelters would start

Glickstein takes first set, rain delays second

Israel's tennis star Shlomo Glickstein last night took the first set 7-5 against tournament favourite Ivan Lendl of Czechoslovakia in the semi-finals of the \$200,000 Canadian Open in Montreal, but the match was then delayed by rain. Earlier, the rain had also delayed the start of the match. Lendl, who is currently ranked fourth in the world (Glickstein is now number 35), 10

days ago scored an easy 6-2, 6-1 victory over the Israeli in the first round of the U.S. clay court championships in Indianapolis. In the other half of the draw, semi-finalists are the American Jewish player Elliot Teltscher and India's Vijay Amritraj. The tournament winner will receive \$32,000 the runner-up \$16,000 and the losing semi-finalists \$8,800 each.

Two stoned to death

BEIRUT (UPI). — A homosexual and an adulterer have been stoned to death on orders from an Islamic revolutionary court in the Iranian town of Shiraz, according to a Teheran Radio broadcast yesterday.

The broadcast said the two men were stoned to death in the presence of a large crowd on Friday.

Weizman 'not against' Palestinian entity

Ezer Weizman, former defence minister, said on TV last night was not opposed to the creation of a Palestinian Arab entity in Judea, Samaria and the Gaza Strip. Speaking on "Meeting for Two," he urged the Government to take the initiative over changes in the territories under the Camp David Agreements.

MAX BACHRACH

With deep sadness and mourning we announce the death of our beloved
MAX BACHRACH
The funeral will take place today (17.8.81) at 10.30 a.m. in the cemetery near Kfar Samir.
The bereaved:
His wife — Ruth
His son and daughter-in-law — Gad and Hedva
His son and daughter-in-law — Rafi and Naomi
And his grandchildren —
Karni, Ranni, Shiri, Roi and Efrat

SOPHIA HERBERT

The unveiling of the tombstone of our dear mother
SOPHIA HERBERT
will take place on Wednesday, August 19, 1981 at 4 p.m. at Safad Cemetery.
The Family

JACOB CANDEUL

Netanya — New York
The funeral leaves today, Monday, August 17, 1981, at 2.45 p.m. from the residence of the deceased, 16 Tchermikowsky Street, for the Shikun Vatikim Cemetery, Netanya.
His bereaved wife, Rivka and Family

HERTA WISBRUN

In deep sorrow, we announce the death of our dear mother, grandmother
HERTA WISBRUN
The funeral was held on Friday, August 14, 1981 at the new Kfar Samir Cemetery, Haifa.
Esther, Moshe and Peter Ron Dorit and Gad

ISRAELI LANDS ADMINISTRATION
Southern District

SHIKUN UFTU'AR
LEYISRAEL LTD.

MINISTRY OF CONSTRUCTION
AND HOUSING
Negev Region

Leasing of plots for Owner-Occupier Construction —
Shechuna Tet, Beerseba

A few plots are still available under the above recently announced scheme, under which plots are being allocated for owner-occupier and semi-detached houses. The plots are being offered on a first come, first served basis, in accordance with the terms detailed in the original prospectus (updated for the level of development expenses and the value of the land). Those interested in these plots can apply to the Southern District office of the Israel Lands Administration, Rehov Ben-Zvi (above Ulamei Yehalom) Beerseba, between Tuesday, August 18, 1981 (from 9 a.m.) and 12 noon on Thursday, November 17, 1981.

مكتبة من الأصول

Call for Peres, Rabin to give up leadership

By SARAH HONIG
Post Political Reporter

TEL AVIV. — Demands that the Labour Party leadership be changed after the party's failure in the recent Knesset elections were given new impetus yesterday by two of its young leaders. MK Yosef Sarid and outgoing Guard secretary-general Ramon.

They said, in effect, that Labour could not suffer if both chairman Yimon Peres and his arch-rival, Itzhak Rabin, were to pass the leadership to new forces. Many leading Labour members privately pressed agreement with this view.

In an Israel Radio interview yesterday afternoon, Ramon sought to head the criticism he has been expressing towards the party leadership ever since the elections, saying that "both Peres and Rabin would make their greatest contribution to the Labour Party by stepping down. Neither should be trusted with the leadership, since they let the party down and both are guilty of having sapped its energy with their endless squabbles."

Ramon argued that "it is high time that Labour learned the lessons of its recent defeat by doing as other parties in the world do in similar circumstances — change the leadership."

Ramon asserted he was not alone in holding this opinion. "I hear similar thoughts from many in the party. But unfortunately few have the guts to come out publicly with what they privately believe. It is an unfortunate reflection on the character of our party that people are afraid to talk. But I do not depend on any party institution for my livelihood and I am not panicky about my own career as a member of the Knesset."

Party insiders said yesterday that though Ramon only has the 50th place on the party list of Knesset candidates, his words may have influence far beyond his own personal standing. Ramon, it was said, is giving new momentum to rumblings in

side the party.

Shortly after the Ramon interview, Sarid issued a statement which, in effect, called on both Rabin and Peres to forgo their claims to leadership if they cannot abstain from more political blood-letting.

Sarid's statement reads as follows:

"The Labour Party is running amok towards an unavoidable suicide. Never has a party wasted as much civic credit in so short a time as Labour. The party appears to be fuelled by an irrepressible force of self-destruction. We have all had quite enough of the battles of the Diadochi (the Macedonian generals who fought for the empire of Alexander the Great after his death in 323 BC) who regard the Labour movement as if it is their due inheritance and which they treat as their own private property. These Diadochi must be told now, in no uncertain terms, that if they cannot devote themselves together and immediately to the party's ideological rehabilitation, they must relieve the party of the yoke with which they have burdened it."

Sarid said he means both the Rabin-Peres struggle as well as the lesser, but not disconnected fight over the post of secretary-general.

"If Rabin and Peres will persist in fighting, then both must go. In such an eventuality, I agree with Haim (Ramon). The party cannot withstand another round in their war," Sarid said.

Both Sarid and Ramon were among the staunchest Peres supporters during last year's Peres-Rabin battles.

Meanwhile, in reaction to reports of the formation of a Navon supporters group in the party, the president's bureau issued a statement yesterday denying any connection with the activity. The statement did not even mention Labour by name. It said that Navon "totally rejects any activity in which his name is associated with any political activity whatsoever."

Family wants soldier's name cleared in air base arson

RYAT GAT (Itim). — Parents of a soldier imprisoned last year at an Air Force base in the South, already in connection with arson, have renewed their battle with IDF authorities for an investigation into the affair.

The family is asking to clear the soldier's name following an apparent solution to the mystery, with base's chief fire-fighting officer, Captain, now being held on suspicion of setting 10 fires in the past year. The Kiryat Gat family members are demanding that their conviction be reversed and he be sent home on leave.

According to the soldier's two brothers, he was arrested last October at the base. For several months thereafter, the man's whereabouts were unknown, despite his relatives' inquiries and complaints. Soon afterwards, police conducted a thorough search at the soldier's home, informing them that their son was being held on serious charges.

The brother, a high school teacher in Ashkelon, charged that his brother was interrogated for several months, during which he was tortured, beaten and slapped. Questioners continuously insisted he was a "Khomeini," "Arafat's agent" or "Khmeini," the latter appellation because he wears a skullcap.

According to his family, another brother from Ashdod broke under similar treatment and "confessed" that he and the Kiryat Gat man had set the sixth fire. He even reenacted the deed for military police photographers, but all the while, the Kiryat Gat man stuck to his story, pleading innocence.

After 55 days of interrogation, the soldier was tried on two disciplinary charges, totally unconnected with the arson. He was sentenced to 55 days in prison and released, but was then confronted with such a hostile atmosphere that he had to be transferred to another base, it was claimed.

The brother went on to say how the army questioners had tried to find a psychological explanation, as it were, for the soldier's "deeds." Several months before the arrest, his parents' flat was damaged by fire after a gas balloon exploded, and he was denied permission to go on leave to help out. So they concluded that he was trying to get revenge by setting fires on the base.

Responding to the charges, the IDF spokesman said that the family's complaints had been examined and forwarded to the army prosecutor's office, but asserted that allegations of torture and improper interrogation had been found to be groundless. He reiterated that the Kiryat Gat and Ashdod men were tried for disciplinary offences unconnected to the arson, and added that in trying to solve the mystery of the fires, dozens of soldiers at the base had been questioned.



Maccabi basketball star Mickey Berkowitz appears in Tel Aviv District Court yesterday, where he is suing his team for breach of contract. (IPPA)

TA judge seeks Berkowitz-Maccabi settlement

Jerusalem Post Reporter

TEL AVIV. — Attempts to hammer out a compromise between all-star basketball player Mickey Berkowitz and his Tel Aviv Maccabi team in their contract dispute failed to bear fruit yesterday, but the two sides are scheduled to meet again today in the chambers of District Court Judge Shaul Aloni here.

"There's still a dispute," Berkowitz said, leaving the court. He vowed that "legal proceedings will continue" if the team does not

fulfill a clause in the contract requiring it to pay all of Berkowitz's taxes, including income tax. Maccabi representatives at the meeting had no comment.

Berkowitz has disclosed that income tax authorities have threatened to attach items in his store and home in their attempt to force payment of his 151,333,000 debt, for the years 1976-1980.

In his suit, the Israeli sports hero has asked the court to order Tel Aviv Maccabi to release Berkowitz from his obligations to the team.

Aridor explains policies to Bonds leaders

Jerusalem Post Reporter

The total value of Israel Bonds sales over the last 30 years, some \$3 billion, is barely enough to cover the country's defence budget for a single year, Finance Minister Yoram Aridor told 600 Israel Bonds leaders yesterday.

At the 30th anniversary conference in Jerusalem's Hilton Hotel, Aridor claimed that despite the country's defence burden and lack of natural resources, exports were increasing at an unprecedented rate against a background of world depression and unrest. He appealed for more private foreign investment in Israel.

Aridor explained his economic policies over the last seven months

by saying they were based on a system similar to U.S.-style "supply side economics" which proposes income tax cuts as a way of stimulating economic growth.

Bonds General Chairman Sam Rothberg advised the conference participants to read carefully a printed copy of Aridor's speech, saying that by doing so "you will know as much about the economy of Israel as he does."

At Har Herzl, conference delegates honoured the founders of the State and the Israel Bonds organization. They laid wreaths on the graves of Theodor Herzl, Ze'ev Jabotinsky, Golda Meir, Levi Eshkol and Eliezer Kaplan.

TA youth town hopes to turn a profit

Jerusalem Post Reporter

TEL AVIV. — The municipality's annual youth town opened here on Saturday evening with a new name — Youth '81 — and managed for the first time by a private company, due to budgetary difficulties at city hall.

Operated by the B.D. "Eruvim" (events) firm at an investment of \$5 million, Youth '81 offers sports, entertainment, artistic performances and many other activities for youth and adults. Admission is

IS40, with reduced fares for groups. Activities include performances by Arif Einstein, Zvika Pik, Tisham, Menny Beger, Shimi Tavori, The Electric Stage, Famous Names and The Bootleg Beatles; a science and energy pavilion, exhibitions by foreign embassies, dog and horse shows, fire fighters, police and IDF bands, a disco competition, children's plays, magicians and others.

Youth '81 will be open daily from 5:30 p.m. (6 p.m. on Saturdays) to midnight.

11 Gazans stricken with cholera

Jerusalem Post Staff

GAZA. — Four more cases of cholera were reported yesterday in Gaza, bringing the total number of victims to 11, a Health Ministry spokesman said. But there are no plans to restrict travel from the Gaza Strip to Israel, he added.

The four latest victims were two 18-year-old women, a 45-year-old man and an infant. All had been in contact with persons who recently returned from Jordan, where cholera is widespread.

The Health Ministry has not asked military authorities to open the Erez roadblock north of Gaza.

dismantled on Thursday as part of Defence Minister Ariel Sharon's liberalization policy in the administered territories.

About 40,000 Arabs cross daily into Israel from Gaza.

"We've issued announcements requesting the public to wash fruit and vegetables carefully, and to buy produce only from established stores and stands," the spokesman said.

Last month, seven persons in the West Bank contracted cholera, but no cases have been reported there for some weeks, the spokesman said.

Mizrahi wins settlement of hotel sale dispute

ASHKELON (Itim). — Magistrates' Court here yesterday approved an agreement under which controversial contractor Bezalel Mizrahi will retake possession of the disputed Ganei Shulamit Hotel, purchased last year by a Swiss company. The Swiss firm will hold an option until December 1 to obtain the hotel.

Under the agreement, a contract for sale of the business to Swiss Hotel Ltd. is cancelled due to the buyers' failure to meet a July payment of \$250,000. The investors, headed by Paul Saldinger of Basel, promised to forward that money, and at the same time, not to sue for

return of any investment in the hotel since it has been under their management. They will continue to run it, and may exercise the option to buy.

Shortly after the dispute began last month, Mizrahi and 15 others occupied the lobby of the hotel in an attempt to force the new owners to return it to them. At the time, the Swiss group won a court injunction forbidding Mizrahi or any of his employees from entering the hotel until the dispute was settled.

The agreement also calls for Mizrahi to receive \$30,000 to cover court costs and legal fees.

Coal unloading at Hadera starts today

By ARYEH WOLMAN
and YA'ACOV FRIEDLER
Jerusalem Post Reporters

The first bulk cargo of coal to be seen in Israel since the mid-fifties will be brought ashore at Hadera today by four lighters, following the successful resolution of a seamen's dispute yesterday.

The Mika, a crane-bearing ship for unloading coal, arrived at Hadera yesterday from Britain.

The seamen's union yesterday gained "prolonged seafaring" bonuses for the crews of the Israeli ships which have started to bring coal from Australia to the Hadera power station. Captain Yeshayah Groman told The Jerusalem Post that the men will receive from \$100 to \$350 monthly extra for the round trip — which entails 80 days on board with practically no shore leaves. He said the final agreement is to be formally signed today with the government-owned Transoil Company.

The first shipment of nearly 70,000 tons arrived from Australia on the company's vessel Irene last week.

The unloading onto lighters is a

temporary arrangement until the off-shore pier is completed. Groman said that the problem of bonuses for the men who will bring coal from Africa will be discussed later.

Last week, the unions threatened to prevent unloading of the Irene because the Shipping Companies Association vetoed their agreement with Transoil and demanded that it be signed with the association.

At the meeting yesterday between the unions, Transoil and the association under the chairmanship of Israel Kessar of the Histadrut executive, it was agreed that for the time being the contract will be signed by Transoil because for the next two years, it will be the only Israeli company to ship coal to Hadera.

The Mika will unload the 12,000 tons of coal it has brought from the British port of Immingham and then will be used to unload a further 62,000 tons of coal from the Irene, which has been waiting off the Hadera coast since last week.

The cargo will be unloaded into the lighters which will shuttle back

and forth to the shore, each carrying a maximum of 600 to 700 tons. The contractors, Solmar, have undertaken to bring ashore 6,000 tons of coal a day on condition that their work is not disturbed by the wind or the waves.

Solmar has leased the Mika for four months. The Italian firm building the pier has promised to complete enough of its work by December to allow the installation of two giant cranes on the jetty which will then be used to unload the coal onto the boats. The entire jetty is now scheduled for completion at the end of 1982.

The use of coal at Hadera, and the means and place of unloading and conveying it to the power plant, have been a source of controversy for the past few years, with Hadera residents charging that unloading near their town will cause ecological harm and air pollution. But Haifa residents with equal firmness resisted any designs to have the coal off-loaded in Haifa port and then shipped by train to the Hadera site. The upshot was the building of the pier in Hadera.

Woman gets divorce by picketing husband

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — A woman pressured her husband into giving her a divorce by picketing his place of employment, according to Sylvia Mandelbaum, founder of Mitzva, formerly known as the League for Family Rights in the Courts.

Mandelbaum said yesterday that a number of women's groups joined the woman in her demonstrations which continued over several weeks.

Mandelbaum pointed out that the woman gained her freedom, which she was unable to do during years of court litigation.

Mandelbaum said the case proves her organization's theory that agreement, not litigation, is the

solution to divorce cases.

"A lawyer has to defend one side against the other and destroys the opposition's credibility, destroying the family unit in the process," she explained. "When we get couples to talk about their differences and to reach an agreement, they can maintain mutual respect — and sometimes they end up trying to stay together instead of agreeing on a divorce."

"Chief Rabbi Shlomo Goren was very angry about the demonstrations," Mandelbaum said. "But we don't demonstrate against rabbis or rabbinical courts; we demonstrate against injustice wherever it may be."

Another case cited was that of a man charged with kidnapping after

smuggling his sister and her three children out of the country to protect them from the sister's husband, who had made attempts on her life.

"The husband wanted money from her family and got the rabbinical court to issue an order confining her to her house — an order issued on his word, without sending social workers to investigate," Mandelbaum reported.

"I don't know how you can accuse the man of kidnapping, when the children were with their own mother and all he was trying to do was save his sister's life," she said.

Though women are most often the victims, there are cases where the wife victimizes her husband, and Mitzva is starting a men's division for these cases.

NII collects only 38% of alimony debts

Post Economic Reporter

The National Insurance Institute made alimony payments totalling \$25m. to some 1,500 women in 1980, but managed to collect only 38 per cent of the money paid out from the husbands who are legally responsible for the payments.

An NII analysis of the alimony figures for 1980 revealed that in nearly half of the cases where the husbands actually paid, they handed over the money after being forced to do so, rather than voluntarily.

Some 15,100 detention orders were issued by the NII in fiscal 1980-81, but only half were carried out because the current addresses of the husbands were lacking.

Three hundred husbands were prevented from leaving the country by restraining orders, until they settled their alimony debts.

Another difficulty encountered in collection is a tendency on the part of the court to set the level of payment without considering the husband's ability to pay.

Autopsy ordered on body of nine-year-old boy

ASHKELON (Itim). — The magistrates court here yesterday ordered an autopsy to be performed on the body of a nine-year-old boy found dead on the sidewalk near a public shelter in Yeroham over the weekend.

The boy's father, Mordechai Barani, appeared before Magistrate Zvi Nadiv to express his opposition to an autopsy, noting

that the family is observant.

But Nadiv acceded to the police request, after being told that police had found no signs of violence, burns or electrocution on the boy's body.

The magistrate said that he had no choice but to order an autopsy to establish the cause of death. The body will be sent to the forensic institute at Abu Kabir.

Nahariya visit

NAHARIYA (Itim). — A delegation comprised of the heads of 40 local Arab local councils and senior council workers visited here yesterday as a goodwill gesture after last month's shelling.

The Arab notables called on Mayor Efraim Sharir, and then toured the Isasbest factory, which manufactures agricultural pipes which are widely used by Arab farmers.



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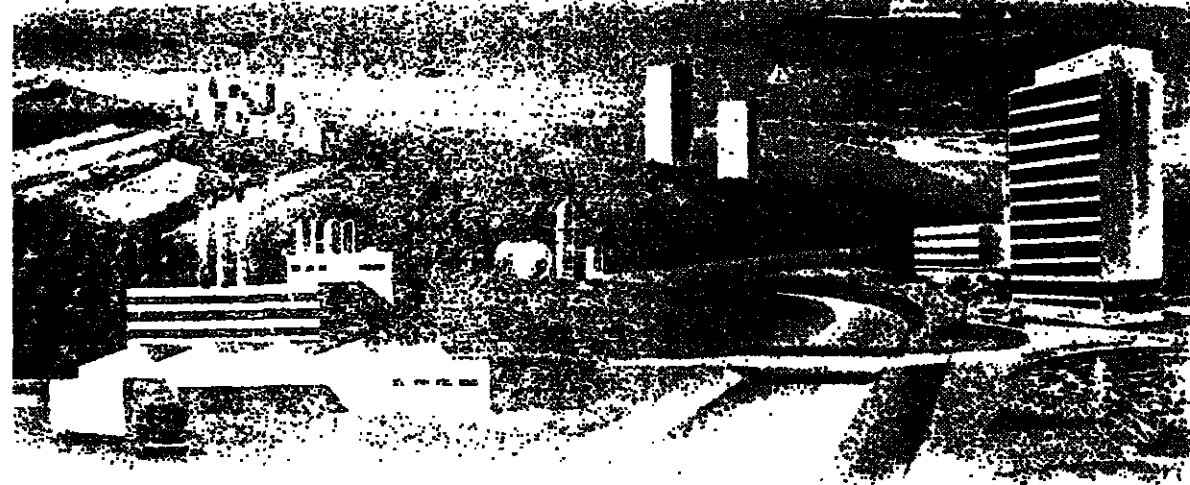
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Iran pledges to fight anti-Moslem opponents

BEIRUT (UPI). — As the war of attrition between Iran's Islamic regime and its leftist opponents gained momentum, Prime Minister-designate Mohammed Javad Bahonar yesterday pledged to prevent the country from becoming a haven for "imperialism and Zionism."

Bahonar, presenting his 22-man cabinet to the Majlis, or parliament, also said that the war with Iraq had inflicted "heavy economic damage on Iran, but we are at the threshold of victory."

Tehran Radio yesterday reported that Saleh Khosravi, a mullah and congregational imam for the city of Sanandaj, was killed by anti-government gunmen along with his 18-year-old son as they left a local mosque on Saturday.

The radio said the two were killed by "two armed American mercenaries," but gave no further details other than that the attackers fled and were still being sought.

The government has ordered an all-out campaign against its opponents, and President Mohammed Rajai on Saturday said that ridding the country of anti-Islamic groups

was a "religious duty."

According to government figures, more than 3,000 people have been arrested since the escape to France of former president Abolhassan Bani-Sadr on July 29 and 509 "anti-government agitators" have been executed since Bani-Sadr's escape.

Meanwhile, a Spanish Foreign Ministry spokesman in Madrid said last night there could be no doubt that the Iranian patrol boat hijacked by Iranian dissidents off Gibraltar on Friday has entered Tangier, Morocco.

An Iranian exile group in Paris sympathetic to the late shah has claimed responsibility for seizing the 49-metre boat missile boat, the Tabarzin. Its two sister ships yesterday left the port of Almeria for Iran.

The ministry spokesman was quoted by Madrid newspapers as saying: "There is no room for doubt on this question. A Spanish helicopter crew watched the hijacked boat enter the port (of Tangier)."

But Moroccan authorities have said the Tabarzin had not been sighted, and the Spanish consul in Tangier told Spanish national radio that he had not seen it either.



Colleagues comfort Constable Glynn Jones who was stabbed in the stomach on Saturday during a flare-up in Liverpool. (UPI telephoto)

Seven kneecappings by IRA squads

BELFAST (AP). — Seven men were shot in the legs overnight by Irish Republican Army "punishment squads," police reported yesterday.

An IRA statement, which was telephoned to reporters, said the seven were attacked because of their "anti-social activity, which has caused unnecessary hardship and suffering for the nationalist people."

The kneecappings, a traditional IRA form of revenge, took place in predominantly Roman Catholic enclaves in this Protestant-dominated British province.

In Londonderry, Northern Ireland's second-largest city, a beer-keg bomb exploded outside a dance hall early yesterday, police reported. Windows and a sign were damaged, they said, but there were no injuries.

The explosion followed the discovery on Friday of what police described as an IRA bomb factory at an apartment in the Shantallow area. Police reported finding 14 beer kegs, each packed with about 40 kilos of explosives.

A police spokesman speculated the IRA was planning a bomb blitz of the main Londonderry business district.

15 policemen hurt in Liverpool riot

LIVERPOOL (AP). — Two policemen were stabbed and 13 others were also injured when violence erupted on Saturday in Liverpool's mostly-immigrant Toxteth district during a mass demonstration protesting alleged police harassment.

The fighting began outside the old police headquarters in Hope Street, which were finally vacated in a move to new headquarters in another part of the city only hours

before the afternoon march got under way.

One policeman, stabbed in the stomach, was in "serious condition" on Saturday night, police said.

Merseyside deputy chief constable Peter Wright described the attacks on police as "unprovoked."

Wright, who reported no arrests, said that police deliberately kept a low profile during the march, which followed serious urban rioting in Toxteth last month and again this month.

20 million Indians affected by viral eye infection

NEW DELHI (Reuters). — Nearly 20 million people across India have been affected by a viral eye infection which has assumed epidemic proportion, the Press Trust of India (PTI) reported yesterday.

The news agency, which conducted a nationwide survey, said that although viral conjunctivitis reached its peak in July, it was still raging. It began spreading last June.

In the northern state of Haryana every fifth person had caught the infection while in the northeastern state of Assam nearly 70 per cent of the population was infected. About half a million people were infected in Bombay.

Viral conjunctivitis causes swelling, watering and irritation in the eyes, and doctors say there are no effective medicines to combat it. In extreme cases it can also impair vision.

Five killed when balloon explodes

BARRINGTON HILLS, Illinois (UPI). — A hot air balloon hit power lines on Saturday night and exploded into flames, killing at least five persons and seriously injuring one, authorities said.

A witness said that upon hitting the power lines, one of the balloon's occupants jumped from the gondola, "screaming at the top of his lungs" as he fell to the ground.

Hundreds hospitalized after gas leak

BANGKOK (AP). — Hundreds of people — most of them children, — were rushed to hospitals on Saturday after inhaling chlorine that had leaked from an old gas cylinder abandoned in a city slum, local newspapers reported yesterday.

The number of victims was variously reported as about 500 and more than 600, but there were no known fatalities.

U.S. pushing to speed up F-16 deliveries to Pakistan

BANGKOK (Reuters). — The U.S. is trying to accelerate delivery of F-16 fighter planes to Pakistan despite demands for the aircraft from its own armed forces and allies, a senior American defence official said yesterday.

James Buckley, under secretary of state for security assistance, who negotiated the F-16 purchases and a \$3 billion arms and economic aid deal for Pakistan in June, told reporters that every effort is being made to speed up delivery.

Buckley, in Thailand to discuss the defence requirements of the Bangkok government, said the normal F-16 delivery time from the factory to a buyer is 42 months or longer. "We are trying to determine how this can be accelerated and it

means pushing others (customers) aside," he said. "The aircraft is still entering our own services and those of our allies."

Buckley refused to disclose how many aircraft are involved in the Pakistan deal.

The F-16 purchases with funds from Pakistan and its Islamic allies were announced at the end of Buckley's June visit to Islamabad and talks with President Mohammed Zia ul-Haq and his Foreign Minister Agha Shahi.

Diplomats in Islamabad at the time said the aircraft were planned for delivery as quickly as possible as a gesture of U.S. concern for Pakistan's strategic position following the Soviet Union's military intervention in neighbouring Afghanistan.

Soviets will teach sex education

MOSCOW (Reuters). — Sex education lessons will be taught in Moscow schools for the first time next month under a pilot scheme aimed at breaking down traditional resistance to the subject in the Soviet Union.

The youth newspaper *Komsomolskaya Pravda* said yesterday that two courses would be introduced in most schools at the start of the new academic year.

Fourteen year olds would be instructed on the basic biology of sexual relations and childbirth, and 15 to 16 year olds would hear lectures on the moral and psychological

aspects of partnerships and marriage, including warnings about "the harmful effects of early sexual intercourse," the daily said.

It quoted one of the organizers, Antonina Khripkova, as saying that sex instruction was long overdue in Soviet schools and complaining that ignorance of the subject often resulted in unwanted pregnancies.

The Baltic republics are the only part of the Soviet Union where sex education is a part of the school curriculum. *Komsomolskaya Pravda* said the courses would be used as a model for schools throughout the country.

Troops take over Pakistan airports

ISLAMABAD, Pakistan (AP). — Armed troops occupied Islamabad Airport and arrested about 40 Pakistan International Airlines (PIA) personnel on Saturday night after the military regime banned union activity in the state-owned firm until next April, PIA sources said.

Similar action was taken at Karachi Airport, but the number

detained was not known. Official confirmation of the arrests was not immediately available.

President Gen. Mohammed Zia ul-Haq's cabinet said on Saturday evening in a lengthy announcement that PIA was on the "verge of collapse" and accused its 22,000 employees of corruption, mismanagement, extortion and "excessive unionism."

U.S. unworried by Portugal controllers' action

LISBON (Reuters). — Portuguese air controllers started a two-day boycott of U.S. traffic at midnight last night, but American aviation officials say they do not expect a major disruption of transatlantic flights.

The 300 controllers, in a militant mood, defied instructions from the International Federation of Air

Controllers Associations to suspend any action in support of striking U.S. air controllers until a general meeting next Saturday.

They decided to deny clearance to flights to and from the U.S. for 48 hours from midnight GMT Sunday, saying the U.S. government dealt with the strikers with total disregard for human rights.

One killed in Sri Lanka communal violence

COLOMBO, Sri Lanka (Reuters). — One person was killed and several others injured in communal violence between Sinhalese and minority Tamils, Saturday night, police said.

Police fired on the crowd after petrol bombs were thrown at the boutique in Gampaha, 40 kilometres north of Colombo and

several arrests were made, the spokesman said. President J. R. Jayewardene, who called the troops last Wednesday to control the communal violence between the majority Sinhalese and minority Tamils, Saturday night condemned those engaged in violence and said he could not understand "what type of animals they were."

Sports

Yallop and Hughes lead Aussies in great fight

MANCHESTER (AP). — Australia, set the virtually impossible task of making 506 in their second innings to beat England in the fifth Test at Old Trafford here, made a fighting effort to save the game. At close of play they had made 210 for five. This respectable total was largely the result of some spirited batting by Graham Yallop, who made a rapid century, and captain Kim Hughes, who scored 43.

Australia suffered early disasters. Dyson was run out, trying a suicidal run, and Wood played an appalling shot to be caught by Knott behind the stumps. So Australia were 24 for two when Yallop joined his captain.

They put on 95 in great style, pounding the bowling.

Yallop in particular was a revelation, in the light of his poor form in earlier matches. He batted with surprising freedom, hitting 15 fours in his century, and taking only three hours to make his 114. Then his concentration lapsed, and he hit across a flighted delivery from Emburey.

In the morning England continued their merciless way, and reached 404. Knott making 59 and Emburey 57. Alderman took five for 109 in 52 overs.

Close of play scores: England 231 and 404. Australia 120 and 210 for five. Play resumes today.

Coe wins 800 m.

ZAGREB, Yugoslavia (Reuters). — World record-holder Sebastian Coe of Britain won the hearts of spectators in the Dinamo Stadium yesterday with an effortless triumph over 800 metres on the final day of the European Athletics Cup Finals.

Coe looked every inch a thoroughbred as he led the field through the bell in 54.81 seconds and when he moved up a gear 200 m. from home only West German Willi Wulbeck was able to stay in contention.

But there was no holding the Olympic 1500 m. champion as he raised the tempo on the home straight to win by five m. in an unofficial time of one min. 47.02 seconds. Coe said his foot was fine and that he would try for a world record in the 1500 m. on Wednesday.

Kiwis beat Fiji 13-0

AUCKLAND, New Zealand (UPI). — New Zealand set a World Soccer Cup all-time high scoring record on Saturday night, when they routed Fiji 13-0, to qualify for the final pool of the Asian elimination rounds for next year's World Cup Finals in Spain. The previous high scoring record was set by West Germany, which defeated Cyprus 12-0 in a qualifying round match in 1969. On Friday, Australia crushed the hapless Fijians 10-0 in Melbourne.

Laffite triumphs

ZELTWEG, Austria (Reuters). — Jacques Laffite of France drove his Talbot-Liger to victory in the Austrian Formula One Grand Prix here yesterday, coolly outmaneuvering and overhauling his compatriot Rene Arnoux over the last quarter of the race.

Carlos Reutemann of Argentina still leads the world championship table, driving a Williams, with 45 points. Next is Nelson Piquet of Brazil, in a Brabham, with 39, and third is Jacques Laffite with 34.

Baseball results

Saturday's Games
Toronto 4, Milwaukee 3
Kansas 5, Cleveland 3
Oakland 8, California 7, 13 ins.
Baltimore 4, Chicago 0
Detroit 8, New York 5
Boston 5, Texas 3, 10 ins.
Seattle 6, Minnesota 0
St. Louis 4, Montreal 3, 10 ins.
Chicago 4, Pittsburgh 3, 15 ins.
San Francisco 5, Cincinnati 2
New York 3, Philadelphia 1
Houston 5, San Diego 0
Atlanta 6, Los Angeles 4

Shuklan ill

TEL AVIV. — Tel Aviv Shimshon's top footballer, David Shuklan, has been taken extremely ill with Hodgkin's disease. Funds are being raised by his club soccer fans, particularly in the Carmel Market where he owned a delicatessen shop, and soccer coaches to finance medical treatment at a Boston clinic.

Advertisement

HOW REFRIGERATORS ARE BOUGHT IN AMERICA

• What is a Consumer Report survey?

By Esther Shalev

It is said in the Talmud that "a handsome woman, a handsome abode, and handsome appurtenances" broaden a man's mind. If we examine the woman's stand, we will probably reach the conclusion that a handsome kitchen, suitably equipped, has the same effect! It may annoy the feminists, but it's a proven fact: women spend a great deal of their time in the kitchen, and their appliances are thus of the highest importance. When I speak of kitchen appliances, I refer to the electrical ones, and, first and foremost, the refrigerator. Modern refrigerators are a product of advanced technology graced by styling and finish, which make the appliance a genuine piece of furniture, one which no modern family can do without.

One does not buy a refrigerator as a casual thought or a passing whim. The purchase is generally preceded by lengthy market research during which we ask, examine, get advice. Only after thinking it over carefully do we buy.

Market research is rather difficult in Israel because objective opinion, based on a product's every facet, is still hard to come by. In the U.S.A., on the other hand, well developed consumer consciousness makes things easier. They have *Consumer Reports*, featured in the magazine of a consumers' association. They form their *Shulhan Aruch*, and they don't buy without consulting it.

Saving electricity

In American tests, the American Whirlpool Corporation's refrigerators were chosen as a "selected product" and thus ranked first in the survey (for the second year running). The highly regarded Israeli company, Crystal, imports these refrigerators. The company started importing them only after having examined their suitability for Israeli conditions.

Displays of Crystal refrigerators at the following shops:
Tel Aviv: Crystal Showrooms, 40 Rehov Geula (corner 52 Rehov Allenby), Tel. 03-657262.

Tel Aviv: Michael Akilov, "Salon Allenby 113" 113 Rehov Allenby, Tel. 03-615902.

Jaffa: Lebel, 29 Sderot Yerushalayim, Tel. 03-825608.

Holon: Salon Savoy, 77 Rehov Sokolov, Tel. 03-882588.

Petah Tikva: Radio Oran, 10 Rehov Haim Ozer, Tel. 03-913940, display in hall.

Netanya: Moshe Bar, Supergas, 26 Rehov Weizmann, Tel. 053-23132; 36 Herzl St.

Raissa: Traklin Hashmal, Zilberstein, 25 Rehov Hanevi'im, Tel. 04-667016, 664910.

Jerusalem: Lior, 23 Rehov Shammai, Tel. 02-221022. Shir, 117 Jaffa Road.

Bersheba: Salon Hanes'im showrooms, Beit Rassco, Tel. 057-77969.

Nazareth: Srouji, Paul VI St., Tel. 065-54677.

Ramla: Esther Universal, Sderot Herzl, Tel. 961530.



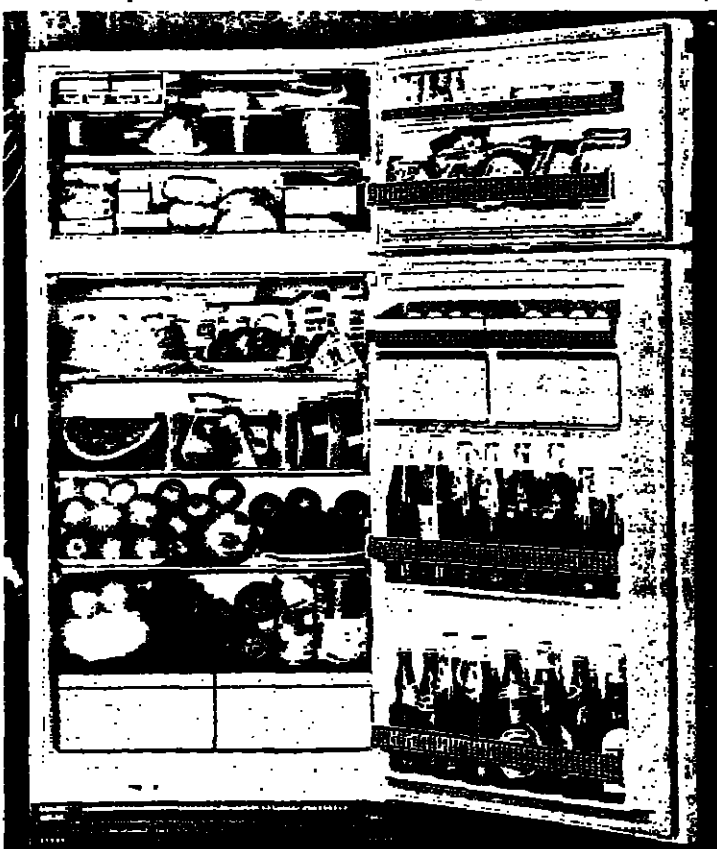
Crystal's Whirlpool — number one in America, now in Israel, too

has not previously been seen in Israel.

There's no need to acquaint the Israeli consumer with Crystal. The range of home appliances they market is the best indicator of their reputation. Their product line features the "Crystal Westpoint" refrigerator, which is now in great demand for its sophistication in construction and styling. It is constructed of strong, durable materials, and has been tested in conditions of extreme heat and humidity, beyond those found in Israel.

Crystal washing machines are a success story unto themselves. The

concern presently markets "Crystal Super Lord," "Crystal Lord," "Crystal Lady," and "Crystal Grand Lady" — all known, famous and popular. Crystal was recently awarded the 1981 Outstanding Trader award, in a poll conducted under the auspices of the Ministry of Industry, Commerce and Tourism (poll taken by Hafia University, Applied Social Science Co.) this being Crystal's fourth such nomination. In addition to this esteemed award, Crystal has thrice been nominated "Best Buy" (1978-1981). Only Crystal washing machines have reaped



The popular Crystal Westpoint — sophistication in construction and design.

such a "crop" of nominations, testifying to the quality of appliances marketed by Crystal.

Some statistics: Crystal has marketed 180,000 washing machines over the years. Assuming that each machine has washed an average of ten kilograms of laundry per week, 40 kg. per month and 500 kg. per year — it turns out that Crystal marketed washing machines have laundered, thus far, nearly a billion kilograms of laundry. One must acknowledge so respectable a contribution to Israel's cleanliness.

Crystal also markets top quality washers — all of superb quality and superior finish.

After Sales Service

It's impossible to wind up this brief survey without mentioning Crystal service, which, in the opinion of Mr. Friedman, the company's Managing Director, has been pivotal in the firm's success. Crystal's fundamental recognition of its obligation to the customer who has placed his/her faith in it guides it throughout, especially those in the service department.

The Israeli public, unfortunately accustomed to customer maltreatment, has expressed its exceptional satisfaction with Crystal service in the hundreds of letters of appreciation, constantly reaching the management. Indeed, the company believes that its link with the customer only begins at the moment of purchase, and does not end there — the case with many companies. Hundreds of appreciative customers have noted the speedy response to calls and the high level of expertise and courtesy of Crystal technicians. Many of us, no doubt, have seen Crystal's line at the "Man and his Environment" exhibition, and come away impressed with its quality. Those who haven't yet been to Crystal's sales and display showrooms, are invited to do so:



Crystal Grand Lady and Crystal Super Lord, two sought after washing machine models, with Crystal's superb service.

Nuclear Acceleration

הכנה מן האו"ם

Strategically, Weinberger Thinks Big

When it comes to defense, the Reagan Administration dreams no little dreams. Secretary of Defense Caspar W. Weinberger would like to spend \$1,500 billion over five years. His plan, to be presented to President Reagan in California tomorrow and no doubt to be debated in Congress and the nation for months to come, proposes to move toward revising fundamental assumptions, notably giving up acceptance of East-West nuclear "parity." Instead, the United States would strive for nuclear "margins of safety" that imply outright nuclear superiority.

The Weinberger plan, as reported

by The New York Times and confirmed in large part by a White House spokesman, would blur the edges of the classic nuclear defense "triad" of bombers, missile-firing submarines and land-based missiles in silos. Existing Minuteman and Titan missiles would stay in silos, but the new MX missile might not.

While Mr. Weinberger was reported to be backing away from making an immediate recommendation on the controversial basing of the MX, the option favored in his comprehensive proposal is that the missiles be flown in dozens of new, light fuel-efficient planes. Until the planes were ready late in the decade, the so-called vulnerability window — which nuclear theorists say will open in the mid-1980's — would be slammed by MX's based in C-5 Galaxy transports or Minuteman silos. They might be pro-

tected with anti-ballistic missiles permitted under a 1974 accord.

The proposal for an airborne MX has numerous critics, not least of them the Air Force, whose own proposal — to shuttle 200 MX missiles among 4,600 among shelters in Utah and Nevada — is virulently opposed by the people of Utah and Nevada.

Mr. Weinberger's plan does contain a big carrot for the Air Force: a new version of the B-1 bomber, which was canceled by the Carter Administration. But it would make the extent of the B-1 commitment dependent on progress in developing so-called Stealth bombers, intended to evade radar detection.

In the Navy's corner of the triad, Mr. Weinberger hopes to bring delay-plagued deliveries of Trident submarines up to speed and to equip them with improved Trident II missiles.

As reliance on strategic weapons cached in subs or planes increased, so would the importance of reliable links to commanders within reach of the nuclear button. Defense officials promise to give top priority to strengthening the system of satellites, radar, radio, computer centers and command posts. All are "vulnerable to large-scale direct attack, jamming, sabotage and secondary nuclear effects," General Accounting Office investigators recently found.

In a possible preview of the MX dispute, Mr. Weinberger confirmed that the Administration has begun stockpiling neutron bombs — assembling components that were manufactured during the Carter Administration. The bombs are designed to concentrate radiation and limit blast effect — killing people while leaving buildings standing. Their primary target would be a Soviet tank blitz in Europe. But correctly anticipating European antipathy, Mr. Reagan promised "full consultation with our allies" before deploying the missiles.

There was "deep disappointment" in West Germany's governing Social Democratic Party and in Brussels, North Atlantic Treaty Organization envoys told of the decision after it had been published and confirmed, pretended the decision was a strictly American affair. Norway and Denmark, NATO's nuclear refuseniks, rejected the neutron decision, too. Deployment and use of the weapons would make full-scale nuclear war more likely, critics said.

Moscow, which was already caricaturing Mr. Reagan as a warmongering cowboy, said Washington was playing "a dangerous game with fire." Tass hinted that the Kremlin would build its own neutron weapons. But American experts said benefits would be marginal to the Warsaw Pact which has "a tank advantage of better than 4 to 1."

Defending his neutron decision, Mr. Reagan said that "present tactical battlefield weapons stationed in Europe are nuclear weapons far more destructive." He asserted that many European critics "are really carrying the propaganda ball for the Soviet Union, because there's no mention made of 200 SS-20's [Soviet nuclear weapons that are] aimed at the cities of all of Europe today." (New budget deficits could limit defense dollars, page 4.)

Defense Secretary's proposals

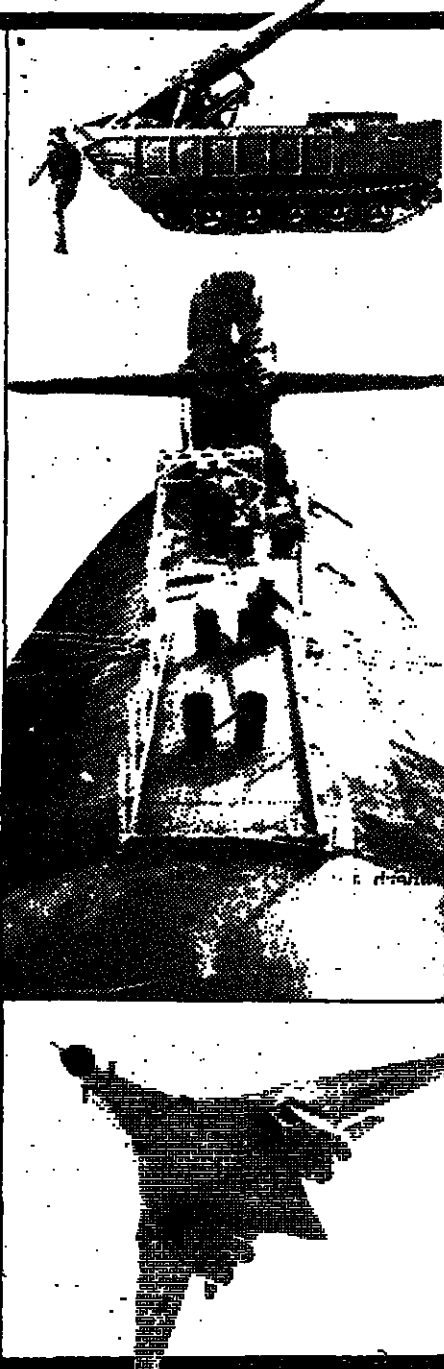
Neutron weapons
Immediate production and stockpiling, including warheads for Lance missiles (top right); approved by President.

Nuclear submarines
Improvement of the Trident I missile and stepped-up development of the larger and more precise Trident II, expected to be capable of destroying Soviet missiles in their silos.

Communications
Rebuilding of the defense communications apparatus, from satellites to underground command posts, to reduce vulnerability to attack and sabotage.

Bombers
Construction of modified B-1 bombers while work continued on developing a radar-eluding Stealth bomber.

MX missile basing
Though Secretary Weinberger has favored basing the MX aloft, objections are such that a recommendation could be delayed while other options are studied.



Secretary of Defense Caspar W. Weinberger

A Week of Tough Choices In Defense and Diplomacy

By BERNARD GWERTZMAN

PRESIDENT Reagan's decision to order assembling and stockpiling of neutron weapons — overruling arguments for delay by Secretary of State Alexander M. Haig Jr. — had many members of Washington's diplomatic community asking last week, "Who's in charge of foreign policy here?" The President's action had the effect, at least for the present, of diminishing Mr. Haig's standing and elevating Secretary of Defense Caspar W. Weinberger, who had successfully argued for going ahead with the neutron bomb.

"This has a direct impact on the allies," a European diplomat said. "What are we to think when we read that Haig flashed a red light and Weinberger a green one, and the President drove through?"

Unsettling as it was, it seemed at first that the neutron debate might be only a warmup for a contest this week, when both secretaries confer with the vacationing President in California about the strategic nuclear portion of the Pentagon's proposed \$1.5 trillion, five-year spending program. But there were reports yesterday that the Defense Secretary, faced with opposition not only from Mr. Haig but also from key military and Congressional leaders, was reconsidering the proposal that was causing the most trouble — the one to deploy MX missiles aboard planes, rather than in shelters on the ground. If so, a Weinberger-Haig dispute may have been averted.

The relationship between the two secretaries is rather complicated. Both claim they get along well in their periodic meetings but say it is the nature of the institutions they represent that they will occasionally have differences that require resolution by the President. But it is also clear that the two men differ in style and in world outlook to such a degree that normal frictions are often aggravated.

Mr. Haig, testy and often apparently nervous and high-strung, has spent most of the last decade working on foreign and national security questions, first in Washington and then as the NATO Commander in Chief. He therefore has an instinctive sympathy for European and other allies and does not have to be reminded of the need to consult them and take their problems into account.

Mr. Weinberger, a personable and, on the surface, affable man, had no experience in international affairs before his appointment as Defense Secretary. But he is a political confidant of President Reagan and has had extensive experience in running complex domestic agencies, including the old Department of Health, Education and Welfare. He has a bent, his critics say, toward intellectual arrogance and has tended to either forget or disregard allied political problems in his work as the Pentagon chief.

On the MX missile question, Mr. Haig has been aware that dropping the Carter Administration's land-based system would be sure to make waves in Europe. The allies, in the State Department view, would ask why they should deploy new generations of land-based United States medium-

range missiles on their soil if the United States is unwilling to put the MX on its. The very size of the contemplated Weinberger strategic program — one estimate places it at \$200 billion over five years — also inevitably raises questions of its effect on any effort to reach understandings with the Soviet Union.

These are issues that go to the heart not only of foreign policy but of domestic politics as well. That is why the decisions are so difficult and why the usually decisive Reagan Administration has hesitated before acting. The costs are enormous and the land-based version of the MX has aroused opposition from some of Mr. Reagan's strongest backers. But to forgo the land-based version to appease the politicians arouses the wrath of the uniformed military, defense experts on Capitol Hill and the allies, who are represented by Mr. Haig. The former NATO commander is also said to believe that the airborne MX would be militarily foolish.

Haig Opposed the Timing

Although the neutron bomb decision seemed to place Mr. Weinberger in the ascendancy, Mr. Haig's aides insisted that the significance of the President's decision should not be exaggerated. They said Mr. Haig did not argue against the weapon itself, but rather advised the President that an announcement now would cause severe difficulties for allies, such as West German Chancellor Helmut Schmidt, who are already feeling pressure against deployment of American medium-range nuclear missiles.

Stressing that Mr. Weinberger and Mr. Haig have basically the same goal — to rapidly rebuild America's defenses — State Department officials noted that Mr. Haig in New Orleans last week tried to answer critics who asked how such a military program could be reconciled with the Administration's stated desire for peace. In the speech, Mr. Haig said the United States could move toward easing relations with the Soviet Union by adding to American power. "By rebuilding our strength, reinvigorating our alliances and promoting peaceful progress, we are creating the conditions that make restraint and reciprocity the most realistic Soviet options," he said.

For specialists studying the tea leaves in search of relatively conciliatory signs, Mr. Reagan noted that he had offered to meet with Leonid I. Brezhnev, the Soviet leader — after extensive lower-level preparation — and Eugene V. Rostow, the new arms control director, said the Administration was eager to resume arms control talks without preconditions. But these remarks were offset by Mr. Reagan's other comments about the Soviet Union. "I can understand their anguish," he said. "They're screaming like they're sitting on a sharp nail simply because we now are showing the will... not to let them get to the point of dominance where they can someday issue to the free world an ultimatum of surrender or die."

Such statements are sure to produce concern in Europe, which sees itself as the eventual battlefield in any Soviet-American conflict. It is not easy to persuade the Europeans to increase their defense spending; to assure them of Washington's commitment to negotiated agreements with the Russians; to avoid public splits when the Europeans fail to fulfill their military spending pledges, while the United States appears cool to negotiating.

Frustrated State Department aides complain of "lack of sensitivity" at the Pentagon and White House to the political concerns of the allies. Indeed, "sensitivity" has become a new code word. State Department officials who are unwilling to suggest that President Reagan lacks expertise in foreign relations say he lacks "sensitivity" to allied concerns. Mr. Haig, they say, has "sensitivity" and Mr. Weinberger does not. At the White House, Richard V. Allen, the national security adviser, and Edwin Meese III, the President's counselor, are described as "insensitive." Bill Brock, the special trade representative, Secretary of Treasury Donald Regan and Secretary of Commerce Malcolm Baldrige are "sensitive."

One Pentagon official ridiculed the State Department's concerns about European political difficulties as they try to maintain support for deployment of medium-range theater nuclear missiles. "The problem is Haig," the official said. "Haig is too involved in personal diplomacy and the personal diplomacy in this case means Helmut Schmidt. We are not running this Government for the benefit of Helmut Schmidt."

Striking Controllers Lose Support

For a while last week, it appeared that the Professional Air Traffic Controllers Organization might pull out of its nose dive.

In a show of support, Canadian controllers responsible for a band of busy airways over the North Atlantic refused to handle flights that were bound for or had originated in the United States. The results were long delays for thousands of travelers — a KLM airliner, for instance, took off from Amsterdam 30 hours late — and scores of canceled international flights. There was also speculation that the disruptions might force the Reagan Administration to moderate the tough, no-talks stance it has maintained from the start of the controllers' strike earlier this month.

Then the two-day display of labor solidarity flamed out.

The key Canadian controllers, assigned to a flight-guidance center in Newfoundland, dropped their boycott when Ottawa promised an inquiry into whether the American situation created hazards. Later, the executive board of the International Federation of Air Traffic Controllers Associations asked its members to put aside, for the time being, any plans for boycotts or other drastic actions. In turn, the leaders of the British air controllers decided against holding any kind of job action. However, Portuguese controllers, who oversee southern trans-Atlantic traffic, voted to stage a 48-hour boycott, beginning at 8 P.M. E.D.T. tonight.

The air controllers' federation also urged the White House to reopen talks with the union and its president, Robert E. Poli. In Washington, however,

that possibility looked extremely remote. According to an Administration request, an administrative law judge urged the Federal Labor Relations Authority to revoke the union's right to bargain on behalf of the controllers. Judge John Fenton called the strike an "open and flagrant" violation of Federal statutes.

The labor relations authority's ruling, which could come later this week, can be appealed, but the Administration has already effectively decertified the union anyway. Government spokesmen continued to insist that there was no strike because the 12,000 controllers who haven't shown up for work have either gotten dismissal notices or will receive them soon.

"There is a law that Federal unions cannot strike against their employers," said President Reagan, vacationing in California. "I just don't see any way that it could be expected that we could now just go back and pretend that they weren't breaking the law or breaking their oaths." Showing only a bit more flexibility, Transportation Secretary Drew Lewis said some controllers may be returned to the payroll eventually if they can show that they were "harassed" or otherwise prevented from reporting for duty.

Mr. Poli, for his part, seemed to be straining for a silver lining. "Everybody says after two weeks you're dead," he said. "There have been a lot of strikes in this country lasting longer than two weeks." For the moment, the Administration's stand seemed to be popular; only 22 percent of those who participated in an Associated Press-NBC News poll said they favored a softer line.

By week's end, the dispute was still in a holding pattern. The Administration said that airlines were operating 75 percent of their normally scheduled flights, thanks in large measure to extensive use of automated radar. With revenues falling, some airlines lightened their loads. Friday, American Airlines told its 36,000 employees that 1,650 of them, including 200 pilots, would be laid off by the end of the month.

While Government officials and strikers disagreed over how safely the system was working, Mutual of Omaha reported that its sales of flight insurance policies had jumped 25 percent since Aug. 3. (Public and private labor laws and practices, page 5.)

Private-sector troubles in Sandinist Nicaragua

2

Resistance movement keeps the pressure on South African regime

3



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The World

In Summary

More Working, Less Marching Urged in Poland

Lech Walesa ordered his union followers off the bricks and back to work last week, trying to reassert control and redirect Poland's agenda for change. At a meeting in Gdansk, Solidarity's national commission called for a two-month moratorium on strikes and demonstrations until after the union's national congress ends in October. Among the marches Solidarity wanted canceled were some planned this week on behalf of "political prisoners" that the Government had threatened to block by all means.

The third power in Poland — the Roman Catholic Church — also called for conciliation. Preaching for the first time since he became Primate last month, Archbishop Jozef Glemp told thousands of pilgrims at Czestochowa yesterday that marches "not as peaceful as yours" had caused the church "a certain fear." He alluded to the proposed march for political prisoners.

A main objective of union leaders has been to deflect popular anger over food shortages that has boiled over in "hunger" demonstrations — a no-win tactic in a bankrupt economy. At the same time, in apparent contradiction of their own moratorium, Solidarity threatened to shut down newspapers for two days this week if a spate of anti-Solidarity items continued.

Among those accusing Solidarity "adventurists" of pushing the country toward "bloody confrontation" was the party leader, Stanislaw Kania. Meeting in the Soviet Crimea with Leonid I. Brezhnev, Mr. Kania and Prime Minister Wojciech Jaruzelski reported their hopes that something and somebody would be working in Poland. A joint communiqué issued yesterday after they had returned to Warsaw was notably conciliatory, saying the visit had taken place in an "atmosphere of fraternal friendship and comradely mutual understanding."



Archbishop Jozef Glemp.

Lest Poles become too relaxed, Soviet, Polish and other Warsaw Pact troops and naval units held maneuvers inside and near Poland last week. Further large-scale exercises on the Polish border were announced for Sept. 4-12.

Israel Getting Out Of Penalty Box

The diplomatic distance opened by Israel's raid on an Iraqi nuclear reactor and bombing of civilians in Beirut should narrow early this week when President Reagan is expected to lift his suspension on the delivery to Israel of 16 jet fighters.

At the same time, the Administration is seeking to assuage fears of nuclear arms proliferation which Israel cited to justify its raid on Iraq. Eugene V. Rostow, director of the Arms Control and Disarmament Agency, said last week that Washington had begun preliminary talks on creating a nuclear weapons-free zone in the Middle East. He said the Treaty of Tlatelolco, which prohibits the use, production or acquisition of nuclear arms in Latin America, would be a "rough model" for a Middle Eastern pact.

There are problems with this model. Argentina and Brazil, the Latin powers with the most means to acquire nuclear weapons, have not fully complied with the treaty. Israel is known to have bomb-making capability; its destruction of the Iraqi reactor was viewed by Arabs as intended to preserve its nuclear weapons monopoly in the region.

As for the stalled talks on Palestinian autonomy, the United States is unlikely to announce new initiatives until after Israeli Prime Minister Menachem Begin visits Washington next month. During his recent visit

there, President Anwar el-Sadat of Egypt called for talks with the Palestine Liberation Organization. Last week, Zbigniew Brzezinski, President Carter's national security adviser, also came out in favor of "some form of dialogue with the P.L.O."

French Allowed To Leave Iran

France, Iranian President Mohammed Ali Rajai said last week, is turning into "a second America." Demanding the extradition of ousted President Abolhassan Bani-Sadr, Iranian spokesmen pointedly reminded Paris of Washington's hostage ordeal when it extended hospitality to the Shah. French officials carefully avoided answering back and slapped a temporary muzzle on the talkative Mr. Bani-Sadr.

The strategy apparently worked. After several days delay, ostensibly to make sure their Iranian finances were in order, French Ambassador Guy Georgy and 106 other French citizens were allowed to leave Iran. Left behind were four staff members at the French Embassy and about two dozen other French citizens.

Paris had further softened up Tehran by releasing three gunboats ordered by the Shah but impounded after his overthrow. As they sailed from Cherbourg toward Iran, however, a group purporting to consist of Iranian monarchists commandeered one of the vessels off the coast of Spain. The group, calling itself Azadegan or Born Free, said the hijacking was the first of "a series of operations which would destroy the Ayatollah Khomeini." Iran said the operation was planned by the C.I.A.

U.S. Vetoes Loan for Guyana

In ideological as well as economic terms, the Reagan Administration aims to get its money's worth from foreign aid. It put its philosophy into practice last week by vetoing a \$20 million loan from the Inter-American Development Bank to promote Guyanese rice production.

R. T. McNamar, Deputy Secretary of the Treasury, said the veto, the Administration's first of a multinational loan, was based on "technical economic grounds." He acknowledged, however, that the Administration believed Guyana was not moving quickly enough toward free-market pricing in agriculture.

Guyana called the American reasons "contradictory" and "untenable." The country is led by Forbes Burnham, who rose to power in 1964 with the help of Britain and the United States but then implemented socialist policies and nationalized 80 percent of the economy. Last year, he assumed near-dictatorial powers as the country's President and won the right to a five-year term in elections that international observers called "fraudulent in every possible respect." However, Mr. Burnham is still believed to be preferred by the United States to his main opponent, Dr. Cheddi B. Jagan, a Moscow-line Marxist.

Burned Out but Not Moved Out

The laws of economics and of human relations keep defeating South African attempts to limit migration by black laborers and their families from impoverished tribal "homelands" to the cities. Last week, the police again destroyed a shanty town outside Cape Town that has been home to several hundred of the thousands of "illegal" migrants in the area. The police burned plastic sheets covering the rude shelters and turned back motorists carrying food and more building materials. But the squatters — families of black laborers from the Transkei — stayed put.

Among those turned back at a police roadblock was an American Congressional delegation. Representative Shirley Chisholm, Democrat of Brooklyn, burst into tears as she told a news conference of "what had been done to black mothers and children."

Opposition South African legislators also attacked the Government policy. Colin Eglin of the Progressive Federal Party said Cape Town's construction industry would collapse if all illegal laborers were expelled.

While trying to control the movement of black workers, the National Party Government has sought to come to terms with spreading unionization among urban blacks. Earlier this month, the Government introduced legislation that seemed to ease restrictions on black labor organizing by removing a race standard for union registration. A few days later, however, the Minister of Police, Louis Le Grange, admitted in Parliament that the authorities had circulated a memorandum on union-busting among companies in East London. Among the suggestions: that they keep on hand a register of unemployed people "who could start work at very short notice" in the event of a strike.

Milt Freudenheim
and Barbara Slavin



Cotton loading in Corinto, a major port of Nicaragua.

Sandinists Ask Private Sector to Be A Quiet One

By ALAN RIDING

MANAGUA, Nicaragua — In the days when Nicaragua's private sector tipped the balance in the struggle against the Somoza regime by organizing crippling strikes and helping to persuade the Carter Administration of the popularity and justice of the rebel cause, Sandinist guerrillas considered business's political role a patriotic one.

Two years after the guerrilla victory, however, the regime and the private sector are sniping at each other about the depressed state of the economy and the direction of the revolution. The businessmen's political interventions are no longer welcomed. Now they are being told to worry about production and leave politics to the Government.

Shrunk by a flight of executives, weakened by Government confiscations and bruised by rhetorical combat with the regime, the private sector nevertheless still controls half the economy and constitutes the principal political opposition in Nicaragua today. "We're very much alive," said Enrique Dreyfus, a business spokesman, "though not very well."

Last week, in the first high-level contact between the Reagan Administration and the Sandinist

Government, Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, paid a 30-hour visit to Managua and apparently came away surprised to find an outspoken and forceful opposition still active.

The main thrust of Mr. Enders's message to the Government was that any improvement in the sour relations with the Reagan Administration would depend on a total cutoff of purported Nicaraguan arms shipments to Salvadoran guerrillas and a freeze in Nicaragua's own arms buildup. But his discovery that a mixed economy and political pluralism both survive could also prompt some revision of Washington's prevailing perception that Nicaragua is already "lost" to the Soviet camp.

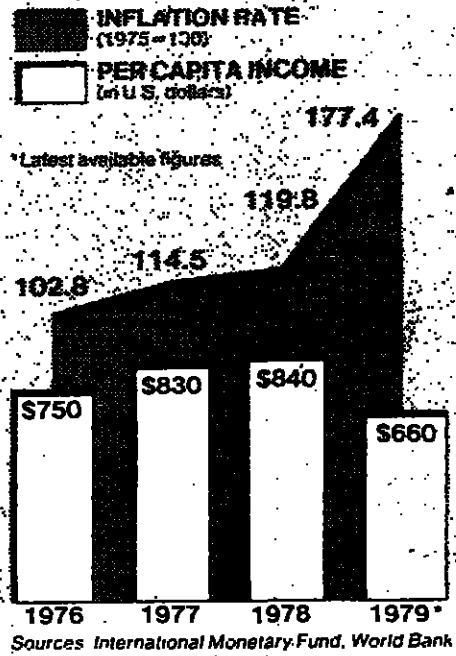
Indeed, the continuing commitment of the Sandinists to a mixed economy and political pluralism, the Soviet model does not offer solutions to the chronic problems of underdevelopment inherited from the Somoza regime.

Nicaraguan leftists have observed both the Soviet Union and China reintroduce capitalist incentives in the hope of raising production. They have seen political stability decimated by economic troubles in Poland. And they have heard Cuba's President Fidel Castro, their most trusted mentor, urge them to preserve a private sector.

But, having seized power in a country where every change of government has been through force of arms, the Sandinists are clearly less enthused by the idea of political pluralism that could result in their being voted out of office. The current crisis, then, has been provoked by a short circuit in the links between the mixed economy and political pluralism: both exist, but neither is flourishing.

Part of the problem stems from the fact that, un-

Nicaragua's sinking expectations



like the situation in El Salvador where the left has long used class warfare as an instrument for seizing power, the true revolution in Nicaragua began when the Sandinists took over. Only then did they start organizing the peasant and worker masses for the struggle against the "bourgeoisie."

The private sector, willing to accept gradual reforms, was taken aback by the sudden radicalization. Some businessmen, although opponents of the Somoza regime, immediately left the country. Others reopened their factories but refused to invest and not a few found illegal ways of sending savings and profits to banks abroad, effectively decapitalizing many companies.

"I've collected \$80,000 abroad since the revolution," a young executive said. "Why shouldn't I? If I'm being called a bourgeois, an exploiter, a counterrevolutionary all day long on radio and television, I have to be prepared for what might happen tomorrow. The Government gives us economic incentives, but what we want is a climate of political confidence."

The Sandinists have taken increasingly to blaming the private sector for the economic crisis, although mismanagement by a bloated bureaucracy, low world prices for commodity exports, a slump among Nicaragua's traditional trading partners in Central America and high interest rates for foreign credits are also key factors. The attitude of local businessmen, though, is one variable that the Government can change.

The regime's strategy has been to try to separate businessmen from the political opposition in the hope of persuading them to invest. To date this

strategy has failed. The umbrella organization for 114 small business associations, known by its Spanish acronym of Cosep, remains closely allied with opposition political parties, the independent newspaper, La Prensa, and conservatives in the Roman Catholic Church led by Archbishop Miguel Obando y Bravo of Managua. The business group's main demands are essentially political, not least definition of the ground rules for elections the junta has promised in 1985.

"Our political influence derives from our entrepreneurial ability, our continuing control of half of production and our international contacts and credibility," explained Jaime Montelegre Lacayo, executive director of Cosep. "We don't want influence as politicians seeking power. We want to influence the

way Nicaragua is governed, mainly economically, but also politically because this also affects the economy."

The regime's response to the private sector has been inconsistent. Last month, for example, it confiscated 14 companies that had allegedly been "de-capitalized" by their owners. But 10 days ago, top Sandinist commanders invited 30 key business leaders to voice their complaints at a private meeting that lasted more than five hours. Similarly, in public, the regime has called for labor discipline, but in practice many companies are still the targets of union agitation.

The regime argues that it has defined the rules of the game — "a mixed economy, political pluralism and national unity, not to liquidate or weaken the revolution, but to strengthen it," in the words of Tomas Borge Martinez, a Sandinist commander. But many Nicaraguan businessmen believe that the very concept of a mixed economy in an embryonic socialist state is simply not realistic.

At the same time, some businessmen insist that the revolution can only deal with the country's deep social ills by first solving its economic ones; for this, they say, their cooperation is indispensable. Significantly, virtually all the executives who have survived the past two years of often chaotic change say they are determined to remain in Nicaragua. Albeit often with raised voices, the Government and private sector are still talking, and perhaps slowly learning to live with each other.

Army Dominates Salvador's 'Marriage'



By RAYMOND BONNER

"It's a marriage of convenience," United States Ambassador Deane R. Hinton said during a recent interview in San Salvador. "An unnatural alliance," was a business leader's description.

Both were referring to the union of Christian Democrats and the armed forces that rules in El Salvador. The relationship entered a new phase last December, when, after intense negotiations brokered by the United States, a Christian Democrat, José Napoleón Duarte, was named President of a four-man junta that includes another Christian Democrat, an army colonel and a politically independent civilian. "We have finally given you your presidency," the colonel, Jaime Abdul Guierrez, told Mr. Duarte at the time.

By all objective accounts, Mr. Duarte won presidential elections in 1972, but the army jailed, beat and exiled him. United States officials, along with Mr. Duarte, heralded his ascendancy last year as evidence that after almost 50 years in power, the

armed forces had accepted the doctrine of civilian rule. Privately, however, many United States and other diplomats wondered whether the civilians could curb the soldiers. A Mexican official has called Mr. Duarte "an adornment" because Colonel Gutierrez is Commander in Chief and Col. José Guillermo García is Minister of Defense.

Colonel García "gives the orders, not Mr. Duarte," a middle-aged Salvadoran worker said last month in San Salvador during a wide-ranging discussion about his country's convulsions. He added that he didn't much care for Mr. Duarte and that "the guerrillas are Communists."

There is evidence that Colonels Gutierrez and García are the real powers. Col. Gutierrez is the only surviving member of a junta that took power in October 1979 with reformist intentions but which has been realigned four times and become steadily more conservative. Colonel García has been back at least two attempts by civilians in the Government to oust him from what is probably the most powerful post in El Salvador.

Military Opposes Negotiations

Privately, United States diplomats acknowledge what many of Mr. Duarte's political opponents say openly: that the military allows Mr. Duarte to remain to keep the junta from losing what precarious international support it has. Mexico, most European governments and Salvadoran church leaders believe the best way to end the devastating civil war is through negotiations. The United States has rejected this approach, as have Colonels García and Gutierrez. Military opposition to talks with leftist leaders is so strong that if any Government officials tried them, "we wouldn't reach the border," a Cabinet minister lamented.

The United States and the Christian Democrats insist that elections will provide a solution to the fighting. An obvious candidate on the left would be Manuel Guillermo Ungo, who was elected Vice President on the ticket with Mr. Duarte in 1972 and now leads the Democratic Revolutionary Front, the guerrillas' political arm. United States Ambassador Hinton said last month that Mr. Ungo should be allowed to participate in the elections. But the Salvadoran Army would definitely not allow that, a senior Government official said. Those who are allowed to participate will be restricted to curfew, state of siege and martial law. The Christian Democratic mayor of San Salva-

dor, Julio Adolfo Rey Prendes, said recently that the civilians in the Government wanted to lift the curfew, but the military commanders insisted on retaining it. The army also has the unfeigned power to imprison for up to six months anyone suspected of belonging to an organization that makes "pronouncements against the public order." During this period, the suspect has no right to a lawyer. The army can also search homes as it pleases, and the law states that a person can be convicted for being found in a place containing "subversive literature, military or terrorist plans, etc."

When Mr. Duarte became President, Robert E. White, the United States Ambassador at the time, said the crucial test of how much power the civilians really had been ceded would be whether they could control assassinations by the soldiers.

They have flunked that test, according to many United States and Salvadoran officials, who acknowledge that human rights abuses by the security forces have increased.

While acknowledging the existence of right-wing paramilitary groups that are financed in part by wealthy Salvadorans now living in Miami, a conservative business leader said they could not operate without the cooperation, if not active participation, of the armed forces. Victims are often discarded on dusty roadsides or in garbage pits far from their native villages. A priest said the victims could not have been transported, often during the curfew hours and on roads patrolled by the military, without the army "turning a blind eye."

Mr. Duarte and United States officials believe that democracy is a realistic possibility in El Salvador. They are encouraged because Colonel García has said the military will respect the results of elections — promised next spring for a constituent assembly and in 1983 for President — and because the armed forces helped carry out the Government's takeover of banks and of the largest farms for redistribution to peasants.

The military also has done some confiscating of its own. One large farm not included in the Government expropriation plan was taken over by officers and soldiers from the local command. They occupied the former owner's house, removed much of the furniture to the military headquarters and sold crops for their own benefit. The family was eventually able to recover the land but is now obliged to pay the soldiers several hundred dollars a month to leave the property alone.

Someday, African National Congress May Hit the Target

By JOSEPH LELYVELD

JOHANNESBURG — Elsie Sekanka, a black domestic servant on a military base just outside Pretoria, received a message last week that was meant for white South Africa. It was a 122-millimeter Soviet-made rocket and it came crashing through the roof of her room in the servants' quarters behind an officer's house, exploding near her bed without causing her any injury.

If that rocket or three others that fell on the base without exploding had struck anything of military significance, the message would have been that the outlawed African National Congress, the main movement fighting white rule, had developed the capacity to operate effectively near the South African capital. Instead, the message was ambiguous: that the movement's sabotage campaign is still hampered by ineptitude and that South Africa, because of the prevalence of blacks as laborers in areas officially deemed to be "white," offers few targets that don't put black lives at risk.

Incidents of sabotage have been occurring almost weekly in the past few months, but the cost to the white state is probably less than what it loses when the price of gold dips by a couple of dollars an ounce. Yet the attacks serve as a form of political graffiti, reminding whites and blacks alike of the existence of a resistance movement and of the industrial state's vulnerability to well-conceived assaults on its infrastructure.

The African National Congress is certainly more than the sum of its efforts underground or in exile, where it has been reasonably effective on the diplomatic front, spurring boycotts and keeping opposition to white rule at the top of the continent's agenda. It is also a political tradition, serving as the main vehicle for the aspirations of those South African blacks — as far as anyone can tell, a majority — who think the solution to the country's conflicts is simply to make whites share power with the country's black majority wherever they wield it.

The banning of the A.N.C. in 1960 climaxed half a century of consistently peaceful, and futile, protest by the organization, which was influenced at its inception in 1912 by Gandhi's civil disobedience campaigns among Indians here. Only after it was forced underground did its military arm, Umkonto we Sizwe or "Spear of the Nation," surface.

The Government calls its members "terrorists," but the military branch has sought to avoid actions that jeopardize civilians of any hue. The explosions this month in downtown East London and a Port Elizabeth shopping center were so out of keeping with its recent tactics that the question was raised of whether another group had come on the scene, perhaps the rival Pan-Africanist Congress, which has been paralyzed in recent years by dissension in its exile wing and nearly invisible within South Africa.

Some blacks who acknowledge privately that they are close to the African National Congress (belonging to or supporting the aims of a banned organization is a crime),



Mourners at the funeral last week of Joe Gqabi, African National Congress representative in Zimbabwe.

contend that its tactics will inevitably become harsher when the black masses understand the necessity for violent struggle and the underground is strong enough to sustain it. The greatest restraint now isn't doctrine but the effectiveness of the state security apparatus, which has consistently managed to penetrate the movement, facing its ranks with black and white spies and agents provocateurs.

Armed with sweeping powers, the police are able to detain people without trial and without even having to acknowledge that they are holding them. The authorities are regularly accused of torture, but they also have been able to use material incentives to gain the cooperation of blacks. In these circumstances, the African National Congress cannot launch widespread operations without putting its relatively few trained insurgents at severe risk. Indications are that the military arm is holding down recruitment to try to deal with infiltration. According to South African estimates, fewer than 1,500 men are trained or in training in Angola, East Germany or the Soviet Union. Most of these left South Africa after the black revolts in Soweto and other centers in 1976 and 1977.

The movement's greatest weakness is its lack of a reliable clandestine structure within South Africa. It has a network of sympathizers, blacks and even a few whites who are ready to take chances for it. But its operations almost invariably involve sending agents into the country

across a border — the usual route is from Mozambique via Swaziland — and getting them out as soon as possible.

South Africa's security system doesn't stop at its borders. In January, its forces attacked congress buildings in Mozambique's capital, Maputo. On July 31, a key figure in the movement and its chief representative in Zimbabwe, Joe Gqabi, was gunned down outside his house in Salisbury. Zimbabwe blamed South African agents.

Hoping to Spark a Mass Rising

From the vantage point of South Africa, it is difficult to say whether the recent increase in underground activity is meant as reprisal or as part of a long-term strategy for seizing power. The indications have been that the African National Congress is hoping to serve as a catalyst for a mass rising, rather than to launch a conventional guerrilla war against Africa's strongest power. For this reason, the battleground is often said to be the factory floor, where black trade unions have been allowed a tenuous legal existence in recent years.

The attraction of the labor front for supporters of the congress is partly ideological. If the unions can be seen as key agents of change, then the revolution can be viewed as a class rather than as a racial struggle. In the complex South African setting, however, deciding who may belong to the revolution — more specifically, whether whites can

play a role — is the main issue among blacks. The A.N.C., which has maintained a tactical alliance for years with South Africa's small Communist Party, has traditionally resisted the Pan-Africanist line that the struggle is essentially, if not exclusively, for blacks.

Many of the young blacks who went into exile five years ago came out of what was known as the Black Consciousness movement and were ideologically closer to the Pan-Africanist Congress than to the A.N.C. In choosing between the two, however, they put aside ideology and went for the movement that seemed most effective.

Reports filtering out of Robben Island, where South Africa holds most of its black political prisoners, suggest that younger members of the African National Congress there sometimes get impatient with their putative leader, Nelson Mandela, on grounds that he is too moderate. But young blacks in the townships seem increasingly firm in their identification with the congress and with Mr. Mandela as its leader. "Students have high hopes because they know they will eventually see the liberation," a young student activist remarked recently, explaining his readiness to face surveillance and arrest. "All of them feel it doesn't matter when it is coming. They see it as if it is already here." A few days later, the young man was jailed. In the seemingly endless cycle here of challenge and repression, he is being held without charge under the Terrorism Act.

Bonn Needs The Business Even More Than the Gas

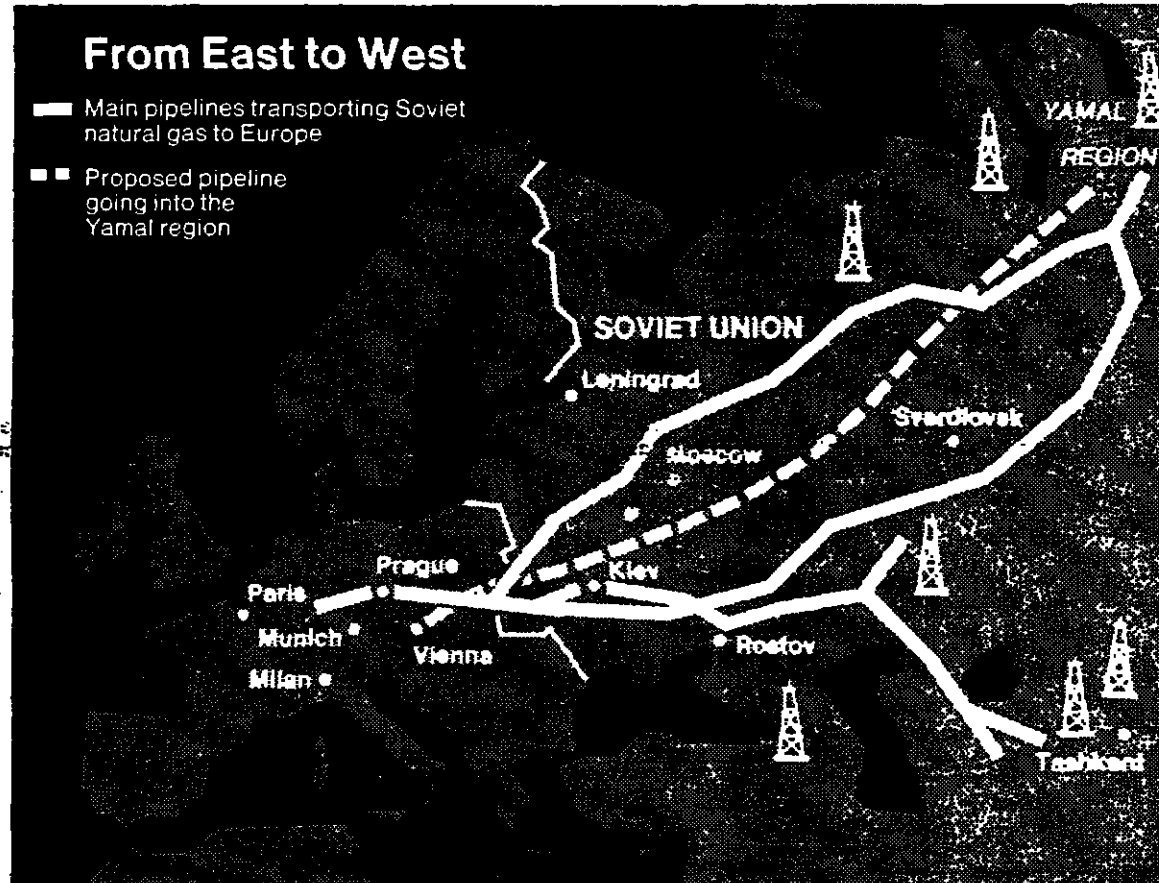
By JOHN TAGLIABUE

BONN — Under conflicting international and economic pressures made more acute by record unemployment, West Germany appears determined to go ahead with the projected \$10 billion pipeline to bring Siberian natural gas to Europe.

The 3,500-mile project is central to industrial and energy planning in Eastern and Western Europe. But it has assumed symbolic importance reaching beyond economics. For 19 months, since Soviet troops rolled into Afghanistan on trucks from factories built with Western technology, a heated debate has raged over East-West trade. On the economic side, unemployment in West Germany last month reached the highest level since 1954, and key branches of the country's industry are pressing to close a deal that would bring much-needed orders.

Conceived in 1978, when Washington's enthusiasm for détente was already cooling, the pipeline deal offered Moscow a way to keep Europe's interest warm. The mixed reaction by West Europeans to Washington's call for economic sanctions after the Afghanistan invasion probably reinforced Soviet interest in the project. Last week, Moscow announced that its trade with Western countries increased nearly 18 percent in the first half of 1981 and the United States said its trade with the Soviet Union was up 53 percent, recovering from the slump last year when Washington imposed sanctions after Afghanistan.

The pipeline would stretch from the Yamal region — in western Siberia, north of the Arctic Circle — to the Russian border. It would supply Western Europe with 40 billion cubic meters of natural gas, beginning in the mid-1980's. The gas would flow to seven European countries, increasing the Soviet share of their natural gas supplies from 15 percent today to roughly 20 percent, helping Euro-



peans to diversify away from expensive Middle Eastern oil. However, the pipeline would sharply increase West Germany's reliance on the Soviet Union. Bonn already imports roughly 17 percent of its natural gas from Russia, and that share is expected to rise to 30 percent when the pipeline is complete. This dependence, plus heightened reliance of key industries on Soviet orders, has brought stern criticism of the pipeline from Washington.

Employers, such as A.E.G.-Telefunken, the electrical giant, which hopes to supply compressor stations, pumps and other technology, and Mannesmann, the pipemaker, badly need the pipeline orders. A.E.G., the hardest hit of Europe's electrical concerns, has not made a profit since

1976. Heinz Dürr, A.E.G.'s chairman, said recently the pipeline contracts "would assure 20,000 to 25,000 jobs over the next two years." Mannesmann, which stands to supply a large part of the 6 million metric tons of pipes needed, lost nearly \$52 million in pipemaking operations last year. The company's plant at Mülheim, in the Ruhr area, is almost entirely dependent on Soviet orders.

Washington is more disturbed, however, at the potential dependency on Soviet energy. In Ottawa last month, President Reagan asked West German Chancellor Helmut Schmidt to reconsider and offered substitutes, such as coal, oil and uranium, to replace the Soviet gas. Bonn later made clear that the alternatives were not acceptable.

High technology, which the Reagan Administration does not want to see transferred to the Soviet Union, plays a lesser role in Washington's concern. Mannesmann has developed unique steel pipe capable of sustaining pressures 25 percent higher than previously, but this no longer seems likely to be provided for the pipeline.

The announcement that the deal was complete was expected first in December and then, in time for the Soviet Communist Party Congress in February. Now the project has run into financing difficulties. Credit arrangements were overturned when Western interest rates skyrocketed. But as if to underscore its independence from Washington, the Deutsche Bank, the lead bank in the financing consortium, announced shortly after Mr. Schmidt returned from Ottawa that it had reached a new agreement with Soviet negotiators. This was apparently achieved by omitting difficult issues and reducing by half original plans for credits of \$4 billion-plus. The bank will provide about \$2 billion, mainly for compressor stations and pumping units. Instead of two parallel pipelines, only one now appears likely to be built.

Bankers and industry leaders close to the negotiations do not doubt that the deal will be made, although they are not sure when. Little short of an invasion of Poland would overturn the deal now, Bonn officials say.

It is not believed likely that the Reagan Administration would attempt an outright veto. But there is little doubt the project would foster closer economic and political ties between Eastern and Western Europe, a prospect viewed with foreboding by some United States diplomats and policymakers. In the worst case, they suggest that the Soviet Union could blackmail Europe during a crisis by threatening a cutoff of energy. In a more measured scenario, they fear the emergence of a powerful and influential public policy lobby made up of businessmen, financiers and labor leaders dependent on Soviet business.

Bonn Government officials agree that the danger exists, but they note that by 1990, West Germany expects to import less than 6 percent of its primary energy from Russia. By contrast, they say, about 30 percent of Soviet industrial imports come from the West. A Western embargo, they argue, would quickly cripple Soviet industry.

One irony remains, however. With alternate supplies of gas coming on line in British and Norwegian fields in the North Sea and from Algeria via pipeline across the Mediterranean, some analysts believe Russian supplies may not really be necessary, at least in the 1980's. West German energy experts say they still want diversification of sources. They point to the gas agreement with Iran that collapsed with the fall of the Shah as evidence that non-Communist suppliers can be unreliable. "No one can tell me that the Strait of Hormuz is a safer energy channel than a gas pipeline from Russia," said a Government aide.

China's Songbirds and People Have New Reasons to Sing

By JAMES P. STERBA



PEKING — It is 5 o'clock on a misty, dewy and unusually placid August morning. Old men in shorts are filtering into city parks to walk their birds and young boys are crouching in the first high grass in decades in search of crickets.

As the old men walk, they swing hooded bamboo cages back and forth, left and right, stimulating for their imprisoned songbirds the effect of the wind on a branch of a tree. To keep its balance, a bird must flex its muscles as its cage swings, thus getting exercise for singing.

The boys part the grass in search of brownish-black crickets which will, when properly stimulated, fight one another. The proper stimulation, the old men tell the youngsters, is a single mouse whisker carefully fitted into a shaved end of a chopstick.

These are traditional pursuits of leisure in China, and this summer they are the sunrise preoccupation in thousands of cities and villages across a land which, once again, has authorized leisure pursuits. After 32 years of what can only be called deep seriousness, a certain frolicsome spirit has returned.

With the Gang of Four dispatched to prisons for their heinous rule during the Cultural Revolution, with Mao Zedong relegated to a revised role as fallible mortal, and with Deng Xiaoping's subordinates in firm, if not entrenched control, the relaxation might seem logical.

It does not, however, seem permanent. There is already talk of repression of writers and artists, a renewed assault against recalcitrant Communist Party hacks and a

revised campaign against a basket of evils, which will include anything the senior party leadership feels threatened by or simply does not like. In short, a crackdown by the party — whose 39 million dues-paying members make up a 4 percent minority of the population — looks inevitable.

But meanwhile, there is a marvelous new sensation in China of people goofing off instead of secretly loafing. Instead of hiding in back corridors and snoozing during lunch hours, workers are organizing card games and basketball games.

Theories about Chinese workers lacking energy are being quickly revised. In some city jobs, at least, workers do what they wish in their time off without fear of punishment. They are capable of enormous bursts of energy and enthusiasm. The animation and muscle used to slap a lunch-hour ace down on a card table — no gambling, of course, is allowed, wink wink — suggests that after 32 years of communization and forced-fed dogma, there is still a lot of Chinese left in China's population.

A scientist walked into his office a few weeks ago and was told that he and his wife were going on a 10-day vacation at the nearby ocean resort city of Beidaihe. He is in his 50's and had never taken a vacation — unless, he jokes bitterly, one counts the 10 years he was forced to work as a peasant. His wife, from Shaanxi Province, had never seen the ocean. They had a wonderful time, and when they came back, he volunteered the following about China's current leaders: "They're about the best we can expect. They're our best hope right now. I can't think of anybody who would not be worse."

A bitter skeptic had become hopeful and grateful. He

says he expects the party will resort to its methods of using fear to run his life, but this summer, at least, he is not so sure.

Listening to the old men who hang around the free markets where eggplants are sold and in the shade of the new highway underpasses where stories are swapped, one can learn a lot of cricket lore. Although revisionists say that two crickets can be provoked to fight each other by tingling their antennae with a mere feather, old connoisseurs of cricket fights contend that a mouse whisker is the only proper instrument of provocation.

Because most people could not afford the luxury of a mousetrap 30 years ago, getting a mouse whisker was not easy. A man who now works in a profession says that as a boy he lured an occasional foolish mouse under an old powdered milk can propped up by the end of a shootree and baited with meat. He and his friends would quickly turn the can right side up and half fill it with water so the mouse couldn't jump out. They grasped the mouse with two sets of chopsticks, holding it up, and attempting to pluck out one or two whiskers.

The old men insist that cat whiskers are too stiff to work on cricket antennae. But youngsters won't listen, then and now, so there are a lot of stories about children trying to pluck a whisker from the family cat and ending up scratched.

Neither the keepers of crickets nor the keepers of birds would think of opening the cages and letting their prize pets scurry or fly away. The Communist Party, likewise, however loose and secure it feels this summer, is not likely to let its charges out of control. But in the summer of 1981, the cages at least seem to be getting larger.

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CLARIN

The Nation

In Summary

Gearing Up for Budget Battle's Second Round

David A. Stockman has a way with words. This Administration's program, the White House budget director said recently, will not be "a captive of deteriorating economic conditions rather than a catalyst for economic improvement." Last week, a buoyant President Reagan took 24 pens to his budget and tax bills, and, in the course of a chatty press conference after the signing, told the nation that Mr. Stockman will have to "ratchet up his determination."

"I don't know whether you'd call it a recession or not," said Mr. Reagan of the growing number of expert analyses that the economy's slump is deeper than the White House had first projected. "But they're not saying," he added, "anything that we haven't said over and over again."

Well, not exactly. Tuesday, the President begins conferring with Mr. Stockman on the Federal deficit. Originally put at \$42.5 billion in the \$695 billion budget for 1982, it is now projected at as much as \$20 billion more. Not only are additional cuts needed for 1982, said one White House official privately, "we must replicate in 1983 and 1984 the same cuts [\$35 billion] we just enacted for 1982" to bring the budget into balance as promised.

What happened? Firing the first shot in the new battle of the budget, Mr. Reagan blamed Congress for cutting the budget less than and taxes more than he would have liked. Many economists would have marked him higher if he had linked the qualities of "this soft and soggy economy" more directly to the high interest rates produced by the tight money policy that is one of the Administration's weapons of choice to bring down inflation. The rates tamp down recovery too, by making it difficult for businesses to borrow for expansion. A slowdown means less tax revenue and more Federal spending for unemployment. Hence, a larger deficit.

As for inflation, last week's report seemed to glow. Wholesale prices, a rough measure of future consumer costs, edged up a mere .4 percent last month despite a big jump in food costs. At second glance, the glow faded. Once started, the food hike is expected to continue; oil price rises are also feared soon. There is, Jack W. Lavery, chief economist at Merrill Lynch Economics Inc., said, "a fear of reacceleration." And that, like the deficit, fuels higher interest rates too.

No Progress for Haitian Pilgrims

For most of the nearly 30,000 Haitians who have fled the poorest nation in the Western Hemisphere for the promise of America, Washington's distinction between political and economic refugees is more than academic. The former are treated as potential immigrants; those merely seeking to improve their living conditions are deported. Between arrival by leaky boat and deportation by charter plane is detention, generally under terms that underscore and prolong the absence of welcome.

That was the case last week for the 125 Haitians transported from the former missile base near Miami known as Krome North to the former United States Navy Base called Fort Allen in Puerto Rico, renovated by the Carter Administration (for \$10 million) to hold 2,000 to 5,000 Haitians and Cubans. The Commonwealth of Puerto Rico last year sued to prevent the transfer on the ground that it would create a "public nuisance." A month ago, it agreed to take 800 Haitians, though only if certified healthy and noncriminal by the Immigration and Naturalization Service, and for no more than a year. Nearly 1,000 Haitians are still at Krome North; it was designed to accommodate 815.

The number of Caribbean boat people is small compared to the 1.4 million refugees of Southeast Asia, 500,000 of whom have found their way

to the United States. A State Department panel reported last week that the flow may well increase. It considered the Vietnamese — 8,000 a month are arriving at the shores of neighboring countries — legitimate political refugees, but suggested that some of the Cambodians and Laotians were simply economic migrants.

Abscam Judge Sets Sentences

It was sentencing time in a Federal courtroom in Brooklyn last week for several convicted veterans of Abscam political corruption trials — four former members of the House of Representatives, a New Jersey state legislator and a Philadelphia city official. All in all, they could have done worse.

Former Representative Frank Thompson Jr. drew a provisional maximum of 15 years and a \$40,000 fine, technically required pending a further review of his doctor's claim that, because of a heart condition, he couldn't stand up to the rigors of prison life. Former Representatives Michael J. Myers, John M. Murphy and Raymond F. Lederer and Philadelphia Councilman Louis C. Johanson were sentenced to three years in prison and fined \$20,000 apiece. State Senator Angelo J. Errichetti, the former Mayor of Camden, N.J., drew six years in prison and a \$40,000 fine. After 14 to 20 months, District Court Judge George C. Pratt said, they'll be eligible to apply for parole.

Mr. Myers observed: "I'm not happy, but I'm not sad." Before the sentences were handed down, the defendants — through their lawyers or in personal declarations — claimed that they had been unfairly entrapped in the Federal Bureau of Investigation's undercover bribery operation.

Detroit Bail-Out, For a While

Ever since New York City wobbled back from bankruptcy on an artfully constructed save involving in part the sale of city bonds to municipal pension funds, similar plans have been a key part of many urban rescue packages. Now it is Detroit's turn to teeter on the brink and offer its municipal unions bonds. But the Treasury Department, concerned about reinforcing the trend, has questions.

The Michigan city, the sixth-largest in the nation, ran a \$119 million deficit in the fiscal year that ended June 30. This year's gap is expected to be \$270 million, to be met by \$8 million from a 1 percentage point tax increase approved by voters June 23; a two-year wage freeze for city employees, and \$56 million in bonds bought by two Detroit municipal pension funds. The urgency was not simply a need for the cash. The tax part of the package was contingent on obtaining commitments on the bonds or approval in the state capital by yesterday.

The hitch came ten days ago, when the Treasury Department asked the Internal Revenue Service to rule on the prudence and the propriety of the proposed purchase. At issue are provisions of the tax code, waived in New York City's case by special legislation, that regulate how tax-exempt pension funds invest. Rescue, for a time at least, came Thursday, when the State Administrative Board certified the city budget as balanced, and yesterday, when the Detroit Firefighters Association tentatively approved the wage freeze, averting layoffs for 252 employees, 145 of whom were from other unions. More than 100 city workers are on furlough.

Teamster Inquiry A Textbook Botch

Law officers and Congressional investigators have long regarded the teamsters' Central States Pension Fund as a \$2.2 billion, poorly administered reservoir into which the hand of organized crime has been allowed to dip freely and deeply. The Senate's Permanent Subcommittee on Investigations charged last week that the Labor Department botched a "historic opportunity" to change all that. The department's five-year inquiry — which Senator Sam Nunn, the panel's senior Democrat, called "a textbook illustration of how not to conduct an investigation" — into the pension fund was hobbled from the start because investigators were denied subpoena power, the subcommittee report said. Later, the investigators, part of a special unit established to look into the operations of employee benefit trust funds, weren't allowed to share their meager findings with Justice Department prosecutors.

The Labor Department itself apparently did a more thorough job of snooping around. A report of a confidential review, undertaken in 1979, contained allegations of sexual misconduct and obstruction of justice against some members of the unit staff. The review, the subcommittee said, had been destroyed by a former Deputy Assistant Secretary of Labor, Rocco C. DeMarco, in violation of Federal law.

Michael Wright and Caroline Rand Herron



Demonstrators at the White House last month protesting cutoff of minimum Social Security benefits.

Part 2 of Reagan Agenda Somehow Looks Familiar

By STEVEN R. WEISMAN

SANTA BARBARA, Calif. — For months now, Ronald Reagan's White House has had its mind fastened on the President's economic program. In fact, Mr. Reagan's ceremonial signing of his package of budget cuts and tax cuts was billed as the occasion for a long-awaited shift of focus.

Such may have been the plan. But his signature had scarcely dried before Mr. Reagan's aides were conceding that their economic challenges have just begun. They described themselves as more skeptical than Mr. Reagan about economic recovery in '82, and doubtful that meeting the

promise of balancing the budget by '84 can be met without great difficulty. "It's very clear that our No. 1 imperative is going to continue to be economic recovery," a senior official said. "Rather than drop these issues, we now have to work hard translating the legislative gains we made into real gains in the pocketbooks of Americans."

Shortly after the President returns to Washington in early September, several pressing budgetary matters will have to be decided.

The first is Social Security costs. Although the Administration had to abandon its original proposals, including a cutback in benefits for those who retire early, the notions are expected to re-emerge in different form. "We're going to have to be realistic

'New Federalism' Gets Down to Cases

By B. DRUMMOND AYRES JR.

WASHINGTON — When the nation's governors gathered last weekend in Atlantic City, no one expected much talk about anything other than the coming cuts in Federal aid. That had been the case this summer whenever city, county and state officials had gathered, and there was no reason to think the annual meeting of the National Governors' Association would be any different.

But by the time the governors adjourned at midweek, they had talked at least as much about the shape of President Reagan's "New Federalism" as they had about the shape of his new budget. Federal-state relations, which for years had drawn little more than yawns from many politicians, had become a front-burner issue.

"If this debate had been started 30 years ago," said Rich Williamson, a White House observer at the Atlantic City meeting, "the country would be in better shape today. The Federal Government wouldn't have become an octopus."

What brought the issue to the fore was a growing fear among governors that President Reagan, in his zeal to bring about a new federalism, might attempt to cut off too many of the octopus's arms. The governors fully favor the President's intent to reshape the Federal Government by returning some of its programs and power to the states. But they worry about raising the money to assume their new responsibilities. And there are some responsibilities, such as welfare, that the governors think should be a Federal burden.

The Reagan Administration has its own ideas about the shape of federalism, and one is that welfare should be primarily a state responsibility, and not a shared one, as it is now. Unless the President and the governors can find common ground on the matter, the resulting dispute could be especially bitter. For their part, the governors have long maintained a willingness to pick up a greater share of the tab for programs like education and transportation, which they view as essentially state and local tasks. In fact, before departing Atlantic City, the governors specifically offered to assume more of the costs of some of these programs in return for a greater assumption of welfare by Washington.

The White House seems little interested in such a swap. Rather, Administration officials say they are searching for new ways to shift welfare responsibilities to the states. The governors resolved to resist "in a bipartisan manner."

What all of this early skirmishing seems to indicate is that the reassigning of Federal and state roles is not going to be easily accomplished. During the past 30 years the Federal Government has become involved in almost 500 programs that provide assistance to states and localities. In many cases, the governors are not sure themselves which government should undertake which task.

For example, during the Atlantic City meeting, Governor Bruce Babbitt of Arizona and Governor Lamar Alexander of Tennessee suggested that states offer to forgo all Federal education aid if the Federal Government agreed to pick up all Medicaid costs, a swap they said would be about even.

A Mysterious Vision

The proposal proved to be a little too specific for the membership. Most governors said they were more than willing to let the Federal Government assume the \$14 billion share of the \$30 billion Medicaid program paid by the states. But they could reach no consensus on giving up education aid. Some argued that while education was basically a state responsibility, the Federal Government has a duty to look after the needs of disadvantaged students and to insure that the nation maintains a well-prepared workforce.

Just as there is confusion about the Federal-state relationship, so there is confusion about the state-local one. Cities and counties are worried that governors and state legislatures might neglect their needs as the Federal Government pulls back. The Reagan Administration has done little thus far to clear things up. To most state and local officials, President Reagan's ultimate vision of federalism remains something of a mystery. He often speaks of a "dream" of a new Federal-state-local relationship, but he has not fully elaborated on it other than to say he intends to shift programs and, eventually, money out of Washington.

Some state and local officials have begun to joke, rather bitterly, that in the absence of a clearly stated plan, the best they can deduce is that Mr. Reagan envisions a Federal Government that does no more than maintain a State Department and a standing army.

Administration officials argue that the President has made a definitive move toward a new federalism with block grants, but many governors are not so sure. They note that while states control the blocks, which are made up of consolidated Federal aid programs, in almost every case there is less money to spend than there was before consolidation.

this time," said a White House official, though he noted that there is little Congressional sentiment for such trims. Meanwhile, Mr. Reagan promised during last month's horse-trading on his tax cuts to come up with a way to protect perhaps 300,000 Social Security recipients whose minimum benefits are due to expire in March. Then there is defense. Defense Secretary Caspar W. Weinberger's proposals to achieve strategic superiority carry a \$1.5 billion price tag. White House planners say cuts will have to be made in other defense items, such as procurement and the use of military bases.

According to his aides, Mr. Reagan plans to use the economic troubles to underscore two messages. The first is to encourage greater use of private sector contributions for job training and the arts, where Federal support has been cut back. The second, pressed by Administration economists as the only way to achieve the productivity gains necessary to spur noninflationary growth, is to encourage the public to use the tax cuts to save and invest rather than purchase consumer goods.

Since both the Social Security and the military steps are likely to be politically difficult, Administration aides are already advising Mr. Reagan to husband his political strength. Inevitably, that means the President will pressed to continue to refrain from a visible role in volatile social issues such as busing, abortion and school prayer — the very issues that his increasingly impatient conservative constituency has been hoping he will turn to. "We're still discussing just how the President is going to deal with these issues," said a key adviser. "Certainly he's going to be firm and supportive in stating his position. But you're unlikely to see any crusade emanating from the White House."

There will be additional pressure this fall to produce initiatives in other areas in which Mr. Reagan campaigned. One such came last week, with Vice President Bush's announcement of a review that could lead to abolition of long-standing regulations in civil rights and the environment. Soon Mr. Reagan will have to decide how sweeping his proposals will be. He must also decide whether to offer major revisions of two landmark statutes whose provisions expire next year, the Clean Air Act and the Voting Rights Act.

Labor regulations as the long-disputed Davis-Bacon Act, which requires certain minimum wages on all Federal contracts, are under review too; last week, in a first step to change, the Labor Department published 80 pages of proposed revisions. Rather than repeal the act, a White House official said, the ultimate approach would more likely involve changing the way the minimum wage is calculated. The goal is to reduce contractors' cost without angering labor, particularly Republican-leaning construction workers who are likely to turn out in 1982's Congressional elections.

White House officials also fear fallout from a potentially painful end of the long foreign policy honeymoon Mr. Reagan has enjoyed. The increasingly public disputes between Secretary of State Alexander M. Haig Jr. and Secretary Weinberger, and the expected choice of a costly expansion of the nation's bomber and missile system could revive among some voters the concern expressed during the Presidential campaign that Reagan Republicans will drive the nation closer to war.

The third world and the Middle East are expected to command Mr. Reagan's attention this year as well. In October, at the North-South summit in Cancun, Mexico, Mr. Reagan will have a chance to make his case for emphasizing private sector loans and investment to help underdeveloped nations achieve economic growth. Third world representatives have signalled already their desire for the United States to do more in direct aid, and to engage in "global negotiations" aimed at bringing about a transfer of wealth from rich nations to poor.

The visits of Israeli Prime Minister Menachem Begin and possibly King Hussein of Jordan this fall will insure the Administration will have to face up to the need to develop a more coherent strategy in the Middle East, White House officials said. Beyond that, the White House has perhaps its hardest Congressional fight ahead, as it moves to win approval of the sale of highly sophisticated air reconnaissance planes known as Awacs to Saudi Arabia. Most Congressmen oppose the sale, which the Administration regards as key to its efforts to bring Arab nations to its "strategic consensus" opposing Soviet influence in the Middle East.

The Awacs saddle underscores the need for Mr. Reagan to maintain smooth relations with Congress. That he has proven he knows how to do. Still, his aides concede, the toughest days are yet to come.



Vice President George Bush addressing the conference in Atlantic City last week.

Mr. Reagan has hinted that eventually he will do away even with the blocks, which would mean a total pullout of Federal involvement in the affected areas. However, he also has indicated that in case of such a retreat, Washington would transfer some of its revenue-raising authority to states so that they could continue services.

Some governors are not very enthusiastic about that prospect. They have visions of Mr. Reagan pulling the Federal Government out of a program and, at the same time, ordering a halt in collection of, say, tobacco taxes. Then, they fear, while the President boasts of achieving both a new federalism and a Federal tax cut, they will be handed the responsibility and political dilemma of letting the program die or continuing it by levying tobacco taxes of their own.

"If they do that," Governor George Busbee of Georgia said angrily in Atlantic City, "then we should tell them they can take back their revenue source — along with the responsibility."



Senator Sam Nunn

The Economy

A decade after Nixon's blow, the robust dollar is giving Europe fits and prompting talk of moving back toward fixed exchange rates.

By STEVEN RATNER

ONCE again, the system by which the world prices its money is under fire.

For a decade now, the international financial order has evolved a system that largely leaves the price of yen, marks, francs, pounds, guilders, lire, pesos and cruzeiros to the ebb and flow of supply and demand. In many quarters, this system is applauded, but increasingly there are calls for reconsideration and for a return to what in any other market would be known as price controls.

In the market for national currencies, those controls were known as fixed exchange rates, which set and sustained the ratios at which one currency was exchanged for another. For a quarter century, fixed rates were the norm of the postwar world. Then, on an August Sunday evening 10 years ago yesterday, Richard Nixon snapped the link between gold and the dollar's value, shattering the rock on which fixed rates rested and, in effect, forcing a reliance on the free market to set the price of currencies.

Now, an increasing number of experts are calling for a re-examination of that system. A great many espouse a return, to some degree or another, to the old system of controls.

"The real question," according to Lord Roll, former Chancellor of the Exchequer in Britain, "is the right combination of domestic monetary policy, exchange rate policy and inflation policy to get the benefits of flexible exchange rates without the tremendous volatility." Lord Roll, now chairman of S.G. Warburg & Company, merchant bankers, favors a fixed-rate system with a built-in provision for occasional change.

Perhaps most notable about the developing debate is the extreme spectrum of proposals about what to do. At one end there is the Reagan Administration, which has declared its belief in still greater reliance on the free market to set currency rates. At the other extreme are serious suggestions for an even more rigorous gold standard than existed before. President Nixon ended the convertibility of dollars into gold. In the middle, and perhaps most numerous, is a clustering of experts who say they miss the greater certainty and the greater economic discipline that fixed exchange rates purportedly provided.

The debate itself seems contradictory. There are those who contend that governments now lack the discipline the old system of fixed rates imposed and, instead, are left dangerously free to base fiscal and monetary policy on purely domestic considerations.

As Exhibit A, critics in Europe point to the Reagan Administration's use of monetarism to fight inflation. It has kept this country's interest rates high, thus sucking funds from all over the world into dollars. The dollar's resulting strength has played havoc with their economies, Europeans charge.

At the same time, however, other critics complain that the present system promises but in fact does not deliver such freedom. They complain that currency repercussions are as burdensome as ever, binding governments and restricting what they can do in the way of domestic policy. They say the world financial order has paid a price in the loss of certainty, but has not obtained the benefit—a smooth, self-adjusting currency system—that supposedly flowed from allowing rates to float on the tides of the marketplace.

The debate is hardly academic. In recent months, for example, Europeans have watched their gasoline and fuel bills soar, no matter that the oil market is considered glutted. Oil in world trade is priced in dollars, and the dollar's surge has meant that the West Germans, the French, the Japanese, all must pay more at the pump. The same has even been true in energy-sufficient Britain: Its own oil output is priced in dollars.

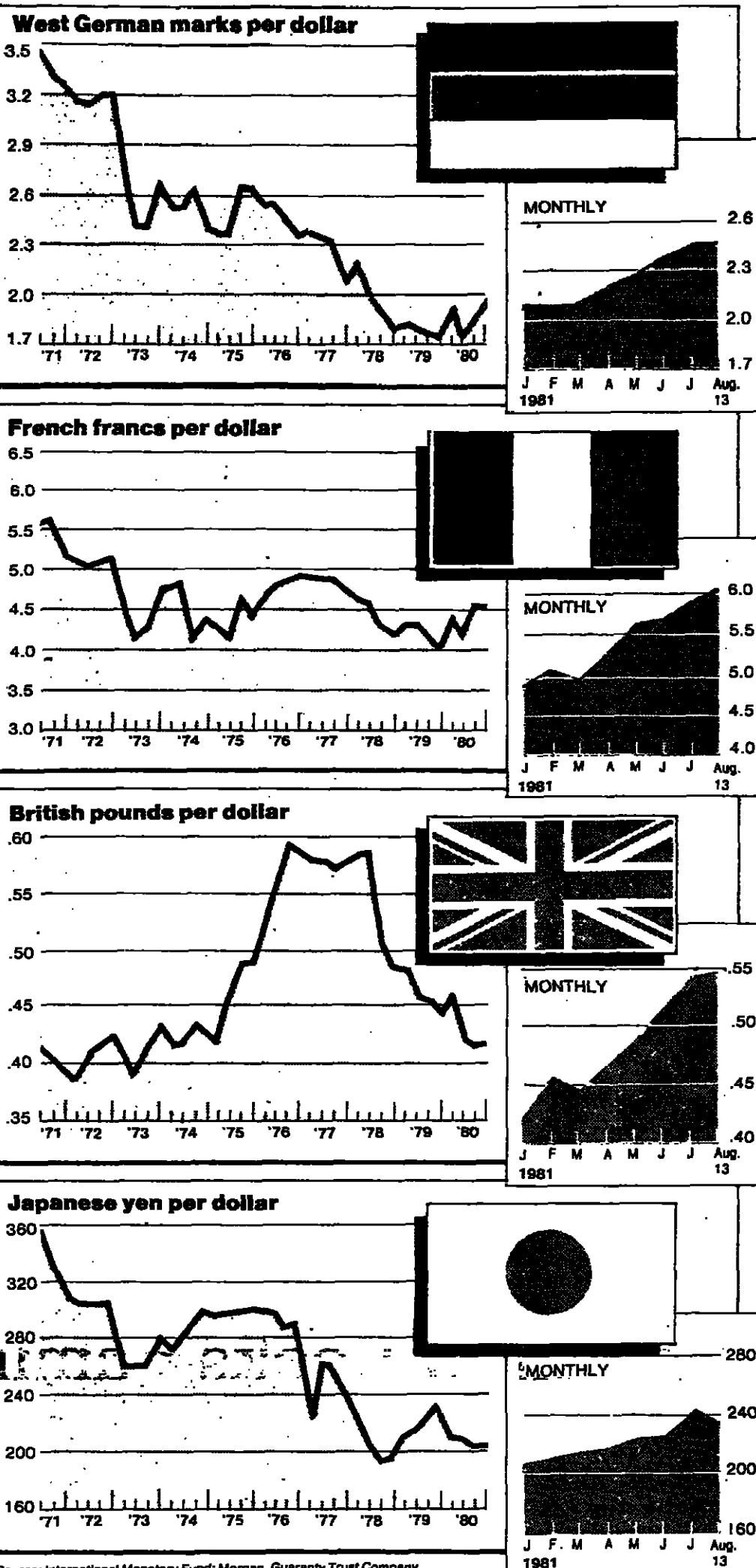
In West Germany, the Schmidt Government is beside itself over the level of interest rates in the United States. It recently cut government spending on both social programs and defense in an effort to offset the inflationary effect of a further decline in the mark. Similarly, in Britain, the Thatcher Government has felt

Fixed exchange rates were said to impose a discipline because the consequence of stimulating an economy was an increase in demand and, with it, demand for imports. In America's case, for instance, the influx of products from abroad, as well as heavy American investment overseas, left more dollars in foreign hands and thus created a balance of payments deficit to be redressed.

If foreigners held more dollars than they wished to,

Our Dollar, Their Problem — Again?

For the Dollar, a Long Slide and a Quick Rebound



Sources: International Monetary Fund; Morgan Guaranty Trust Company.

then ultimately they could appear at the Treasury demanding gold. In practice, an elaborate system of swaps among central banks usually enabled the United States to settle its deficits by taking in dollars and handing back foreign currencies, but that worked only up to a point.

The only way to sustain a weak currency's exchange rate was for its central bank to stand ready to buy it at that price. There was always the danger that that bank was simply digging itself in deeper, emptying its pockets of strong currencies or gold in order to buy its own flagging currency from all comers.

Fixed rates were considered a vital beacon for world

trade. Although legions of foreign exchange experts now help multinational business hedge against the continual risk of untoward currency fluctuations, the uncertainty leaves an edgy discomfort.

Even from hindsight, observers like Lord Roll of S.G. Warburg do not disagree with President Nixon's decision a decade ago to "close the gold window," nor do they believe the world could quickly revert to the old order.

Exchange rates, they say, can remain fixed only when inflation rates among countries are roughly similar and when capital flows remain even. The huge balance of pay-

ments surpluses among oil exporting countries — an estimated \$80 billion this year — create the potential for large capital movements that in a fixed system could quickly become crises. Similarly, some say that if rates had remained fixed and currencies tied to gold, the industrial world could not possibly have absorbed the oil price leaps of 1974 and 1979.

"I was the only one of us opposed to closing the gold window," said Arthur F. Burns, who at the time was chairman of the Federal Reserve and is now Ambassador to West Germany. In retrospect, it was "unavoidable," Dr. Burns reflected in a telephone interview from his vacation farm in Vermont. "I'd love to see a return to the gold standard," he said, "but I see no easy or quick way of attaining it."

Indeed, the international monetary system was severely strained before the dramatic Nixon announcement. Balance of payments crises occurred regularly. In November 1967, Great Britain devalued the pound by 14.3 percent, to \$2.40. The mark and the yen were widely considered undervalued.

Nor did fixed rates always provide a comforting predictability. Devaluations became more frequent, and the risk of being stuck with a devalued currency made it vital for private holders of currencies to try to out-guess the monetary authorities.

Even under floating rates, countries with "self-discipline" can face up to such concerns as inflation. The Swiss, for instance, have demonstrated a willingness to attack inflation even without the goad of a balance of payments deficit. To bring inflation down, they have accepted a stronger franc, higher prices for Swiss products in world markets, and thus unemployment at home. They have not needed the prospect of a currency crisis to stiffen their will.

In fact, most governments, even though freed from the balance of payments reckoning, are unwilling to accept sharp downward movements in the value of their currencies. Depreciation causes the price of imports to rise, helping to fuel inflation. And a depreciating currency is still deemed a mark of national weakness and thus found politically unacceptable.

This reluctance has had an odd result. To the extent that countries are unwilling to watch their currencies decline, they are moved to self-discipline in monetary and fiscal policies just as under a fixed rate system.

"There is no clear consensus as to how to view exchange rate policy," Paul Neid, chief international economist at Phillips & Drew, a London stockbrokerage firm, said. Much depends, he said, on whether a nation has "an open economy or a closed economy." The United States, where foreign trade remains a minor fraction of the economy, can treat exchange rates with an indifference impossible in an export-oriented economy like West Germany's.

But while a measure of self-discipline has remained under the floating system, some countries do intervene in the market to support their currencies, and this has led to the characterization of present arrangements as a "dirty float." By some accounts, this practice has so blurred the present system that floating rates fail to reflect true currency values, just as fixed systems often did.

"If people throw up their hands at the word 'manage,' I say you're already managing by the things you do," Lord Roll said of those who opposed moving back toward fixed rates.

The Reagan Administration's response to European alarm about the dollar was to announce in April that the United States would eschew intervention except in a crisis. In addition, at last month's Ottawa economic summit, President Reagan all but ignored Europe's concerns. He simply said he expected inflation to recede and, with it, the current level of interest rates.

That sort of response has led in turn to criticism, mainly from experts who say foreign exchange markets are driven by psychology and need official guidance. Recalling the Carter Administration efforts to let the dollar decline to improve American trade figures, Lord Roll called the Reagan policy a move "from benign neglect to malign neglect." The phrase brings to mind the saying that summed up the Nixon Treasury's lack of interest in defending the nation's currency — that the dollar was "our currency, but your problem."

Not everyone thinks that change is necessary. Among the champions of the present system is Rimmer de Vries, chief international economist at the Morgan Guaranty Trust Company. "Obviously markets sometimes overreact, but on the whole, I'm impressed with their intelligence," he declared.

As one bit of evidence, Mr. de Vries notes that over the past 10 years, the dollar hit its low point in late October 1978, when American policy was most stimulative. And earlier this month, with American monetary policy extraordinarily tight, the American dollar hit its peak, finally surpassing the level before Mr. Nixon's speech.

One version of the renewed search for order has been the European Monetary System, which links the value of continental currencies while providing trading bands for a touch of flexibility. For European countries, most of which depend heavily on trade, the system has introduced a measure of predictability for businessmen and governments alike.

"This has brought advantages to exporters and importers trading from one E.M.S. country to another," said Thomas R.A. Lockett, assistant general manager at Midland Bank International here. "But what is possible and a relative success within the Community is not possible world-wide."

THE WEEK IN BUSINESS

Producer Prices: Continued Easing of Inflation

Producer prices rose at a moderate four-tenths of 1 percent in July, indicating a continued easing in inflation. The Government said the increase would have been the lowest since last fall save for a surge in prices for pork.

Tax and budget cuts, among the most sweeping economic measures since the New Deal, were signed into law by President Reagan.

Industrial production increased three-tenths of 1 percent in July, the Federal Reserve said, indicating a continued sluggishness in the economy.

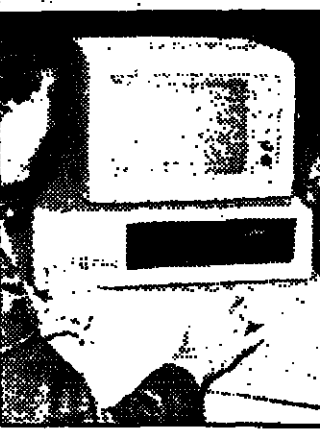
Retail sales climbed 1.3 percent in July, a strong performance that followed a 1.7 percent gain in June.

Auto sales rose a hefty 30.8 percent in the first 10 selling days of August from the same period a year ago, the Big Three reported.

G.M. plans a venture with Suzuki and Isuzu of Japan to produce and market small cars.

OPEC will agree next week on a unified price for oil, Sheikh Ahmed Zaki Yamani of Saudi Arabia predicted. One plan is said to call for a \$2 a barrel increase by the Saudis and a like cut by other OPEC nations.

New Mighty Mite: I.B.M.



When I.B.M. announced last week that it was entering the personal computer market, many already in the market welcomed the move, saying it put the stamp of legitimacy on the young industry and that sales would improve.

That's called putting a good face on it. For the truth seems to be that I.B.M. will pose a grave threat to the industry leaders, Apple, Tandy and Commodore. Some analysts predict that I.B.M. could be the industry leader within a few years.

I.B.M. plans to retail its new small machines through Sears business-equipment stores and the Computerland chain in a price range of \$1,595 to over \$6,000.

Airlines laid off thousands of workers and in some cases cut executive pay as a result of reduced operations in the air controllers strike.

The Daily News is terminating tonight, its year-old afternoon edition, and laying off 320 employees. The Chicago-based Tribune Company, owner

of The News, said its subsidiary operated at a loss in the second quarter.

Westinghouse and ABC plan a 24-hour cable television news network for the spring of 1982. Cablevision, a privately held company won the Boston cable franchise.

Allied Stores, an operator of major

department stores, began a \$207 million takeover bid for Garfinkel, Brooks Brothers, Miller & Rhoads Inc.

Dome Petroleum bid \$1.3 billion (Canadian) in stock for the 47 percent of Hudson Bay Oil and Gas it doesn't already own. And the Power Corporation of Canada bought an initial 4.4 percent stake in Canadian Pacific for \$174 million.

Procter & Gamble reported profits in its fourth quarter increased 19 percent from the year-earlier period. Norton Simon said net income gained 2.8 percent in its fourth quarter. Loews said second quarter net fell 29.3 percent.

The money supply jumped \$5.1 billion in the latest reporting week, the Federal Reserve said. The July average, however, remained well below the Fed's minimum growth-rate target of 3 1/2 percent.

Stocks were lower, despite signs of a continued easing in inflation, with the Dow Jones industrial average closing at 936.63, down 5.61 points on the week.

John Muir announced withdrawal from the retail brokerage business. The firm plans to transfer its New York accounts to Rooney Pace and its Sarasota, Fla., branch to Herzfeld & Stern.

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED AUGUST 14, 1981

Company	Sales	Last	Net Chng
CHSVC	3,597,600	67 1/2	+ 6 1/2
Tetaco	3,278,200	39 1/2	+ 2 1/2
AT	2,856,200	58 1/2	+ 1 1/2
Exxon	2,579,900	35 1/2	+ 1 1/2
OcciPet	2,394,500	29 1/2	+ 1 1/2
Mobil	2,223,900	30 1/2	+ 1 1/2
MarOil	2,182,800	78 1/2	+ 2 1/2
Enron	2,103,500	12 1/2	+ 1 1/2
IBM	2,049,100	58 1/2	+ 1 1/2
William	1,919,500	34 1/2	+ 4 1/2
TexInc	1,908,700	20 1/2	+ 1 1/2
MesaP	1,812,800	31 1/2	+ 1 1/2
GulfOil	1,782,200	40 1/2	+ 1 1/2
UOECal	1,781,500	42 1/2	+ 1 1/2
StarDg	1,706,300	21 1/2	+ 1 1/2

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
975	861	2,104	84	101
939	904	2,110	72	102

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	229,848,849	7,484,059,383
Same Per. 1980	236,570,280	6,818,151,132

WEEK'S MARKET AVERAGES

High	Low	Last	Change
942.15	936.63	936.63	+0.18
78.25	75.23	75.76	+0.09
41.70	40.39	41.34	+0.93
78.05	74.72	75.51	+0.74
77.92	76.46	77.00	+0.42

New York Stock Exchange

Index	Last	Week	Year To Date
Indust	89.81	88.38	88.63
Transp	78.25	75.23	75.76
Util	41.70	40.39	41.34
Finance	78.05	74.72	75.51
Composite	77.92	76.46	77.00

Standard & Poor's

400 Indust	147.5	149.0	+0.48
20 Trans	24.1	23.3	-0.18
40 Util	56.3	53.7	+5.51
40 Financial	15.0	14.4	+0.24
500 Stocks	135.1	130.8	+0.74

Dow Jones

30 Indust	955.8	933.7	936.9	-5.61
20 Trans	412.9	398.5	408.8	+3.32
15 Util	116.0	109.4	114.7	+4.71
65 Combo	377.3	365.9	371.7	+2.28

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED AUGUST 14, 1981

Company	Sales	Last	Net Chng
HudB	2,583,200	39 1/2	+ 4 1/2
DomeP	2,256,500	16 1/2	+ 1 1/2
GLCds	1,784,000	24 1/2	+ 1 1/2
RangrO	734,200	13 1/2	+ 1 1/2
DeHIO	718,100	112 1/2	+ 14
IntBkt	580,300	6 1/2	+ 1 1/2
Supron	518,000	34 1/2	+ 2 1/2
Sundnc	481,300	23 1/2	+ 3 1/2
SCEdpt	460,600	7 1/2	+ 1 1/2
TrtHd	433,000	29 1/2	+ 4 1/2

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
374	400	817	42	29
367	387	913	47	39

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	29,408,280	870,419,590
Same Per. 1980	30,559,970	935,252,515

BROADWAY 80

i'm glad I changed...

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SEYMOUR TOPPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
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LANCE R. PRIMIS, V.P., Advertising

Fallout From the Air

The first tangible benefit from President Reagan's hard line on the air controllers' walkout may be felt in an unexpected place—underground.

Early in the week, with Canadian air controllers disrupting traffic, it looked as though their American compatriots might be able to force a settlement. But events since have favored the Government. The Canadians are again handling American-bound flights. A Federal administrative law judge has moved to strip the controllers' union of the right to bargain. And the news from New York City's Transport Workers Union suggests that the President's tough tactics are forcing labor to reconsider public employee strikes.

John Lawe, the leader of some 31,000 subway and bus workers, apparently has no wish to be caught between his membership's demands and the new mood of opposition to strikes by government employees. Last week, he offered to drop the union's "no contract, no work" policy in return for binding arbitration. Arbitration is hardly a panacea, but it might play a productive role in reducing labor strife in the public sector.

Millions of government employees, including a majority of the Federal civilian work force, belong to unions. But as Robert Pear suggests in this section, the lack of a legal right to strike transforms collective bargaining into little more than an amateur debating society.

That may be all right when employees are generally satisfied with wages and working conditions, or where labor interests are well represented in legislatures. But it certainly wasn't in the air controllers' case, where rank-and-file militancy fed by union leaders made realistic bargaining difficult. And similar circumstances threaten in an increasing number of labor disputes.

Cold War Family

What's to be done with young Walter Polovchak? In January, 1980, Walter's father, a Ukrainian bus driver, emigrated to the United States with his wife and three children. He soon grew disillusioned; he couldn't find a job he liked; he didn't get along in Chicago's Ukrainian-American community.

So a year ago, he announced plans to return to the Ukraine. His two older children, Natalie, then 17, and Walter, 12, objected and left home to live with their 24-year-old cousin in another part of town. The parents decided Natalie was old enough to make up her own mind, but they wanted Walter back.

At first, the United States Government helped prevent his return. The immigration service granted asylum to Walter, now represented by a prominent Ukrainian-American lawyer. The Polovchaks, with the help of the American Civil Liberties Union, challenged the ruling. And the State of Illinois, heeding urgings to keep Walter in America, persuaded a juvenile court to declare him a runaway, make him a ward of the state and place him in a foster home. The parents are appealing.

Last week the Justice Department retreated from its original involvement; it said it would not defend Walter's asylum if the Illinois court returns him to his parents. At the same time, however, the distraught parents left for the Soviet Union.

Walter's lawyers hint darkly that the parents are part of a K.G.B. plot. And Soviet officials are milking

John Lawe may have more on his mind than the example of the air controllers. He may be trying to impress an appeals court that could reduce the heavy fines imposed during last year's illegal transit strike. Or he may be trying to temper the Transit Authority's insistence that productivity goals be met before cost-of-living increases are paid.

Still, Mr. Lawe's problems at next year's contract negotiations do resemble those of the air controllers' leadership. If he does not bargain as if a strike were possible, he will be attacked by those who want his job. If he does, the result could be an impasse, leading to another economic disaster for his members—and for his city.

Binding arbitration won't turn union tigers into tabbies. Some observers worry, too, that arbitrators rarely have sufficient knowledge to settle complex work-rule disputes, just the sorts of disputes that plagued the Transit Authority and air controller negotiations. But one particular approach, known as "the last, best offer" does hold considerable promise.

Traditionally, an arbitrator devises his own compromise settlement. With "last, best offer" arbitration, each side makes a final bid. The arbitrator is not permitted to blend them but must choose the more reasonable of the two, no changes permitted. The hope is that the "last, best offer" will force both sides to be realistic: to ask too much would be to risk losing all.

John Lawe has taken a first step toward resolving public employee disputes without strikes. It is up to the New York Transit Authority and the Governor to keep him moving forward. As the broad support for President Reagan's stance demonstrates, the public has had a bellyful of illegal strikes by government employees. The test will be how creatively Federal and state officials use that mandate.

the case for propaganda. A Tass dispatch had Walter's father saying that American authorities promised return of the children along with "a lot of money and a house" if he would stay in the United States. When Walter was allowed to visit after they lost custody, according to Tass, his mother found him escorted by "two extremely gloomy characters... they surely poison him with narcotics."

Now really. Does the K.G.B. recruit bus drivers for international operations, and the C.I.A. little children? This looks more like a family affair gone political. Besides complaining about difficulties in Chicago, Walter's father complained bitterly about his nephew's efforts to lure the children from their parents, introducing them to American teen-age life and the Baptist church. This was particularly dismaying to the older Polovchaks, devout Catholics. ("Ukrainian Catholics," says a lawyer for the parents, "look upon American Baptists about the way we look upon the Moonies.") And 13-year-old Walter, as any parent can testify, is at an age that richly enjoys the role of pain in the neck.

American officials are to be commended for backing away from involvement in the case. Whether Walter belongs with his parents is for the courts to decide. But this is no place for cold-war politics. Even if Soviet officials continue to exploit one family's unhappiness for propaganda, Americans should know better.

Topics

Life Forms

Life Defined

Can Congress define life? Senator Jesse Helms of North Carolina and others want to pass a law declaring that life begins at conception. The idea is to undermine Supreme Court abortion decisions by declaring that the Constitution doesn't mean what the Court said it meant. The bill itself is probably unconstitutional, but that doesn't deter the Congressional definers of life.

As Representative Barney Frank of Massachusetts told the American Bar Association last week, some legislators are defining life all the time, voting not only against abortion funding but against any Federal aid aimed for those who do get born—aid to dependent children, child nutrition, child care, school lunches, shelters for battered kids. As Mr. Frank says, by their definition, "Life begins at conception and ends at birth."

Life, Plus

The threat of being sentenced to "life, plus 99 years" may have genuine deterrent power. But when a judge hands down sentences of 1,940 and 1,620 years all that's being deterred is common sense.

The judge in question is George Kunzman of Jefferson County, Kentucky who imposed those sentences last week on two robbers. A spokesman for the corrections department says no sentence ever imposed in Kentucky "even comes close." But neither he nor the judge explains what conceivable purpose is served by sentencing a man to a term that equals 27 times life, plus 49 years.

No one expects the robbers to serve until, respectively, the years 3921 and 3901. On the contrary, one will be eligible for parole in ten years, the other in just six. So what's the point? Can it be that the judge is straining to show how tough he is on crime? All he achieves, in any case, is to invite ridicule, of himself and of justice in Kentucky.

An Ox Is Gaured

We had no sooner read the last page of a paperback bestseller titled "The Cradle Will Fall" (evil doctor does big business in fetus transplants) than we read the story on the front page of The Times. There they were: Manhar, the transplanted embryo, and his "mother," Flossie. It was just like the book said, only Manhar is a gaur, an endangered species of ox, and Flossie is a Holstein cow.

Flossie, who seems to feel that a son's a son and never mind that he doesn't look like the rest of the family, is treating him like a young Holstein. No lawsuits threaten the success story that is this surrogate motherhood. Science has taken a giant step towards saving species. And the Bronx Zoo deserves a very big cigar.

Bottom Line

Compulsive readers are in constant need of a fix: witness their preoccupation with soap cans, classified ads and package directions. They are also assiduous readers of jeans. Given a choice between deciphering designer labels and admiring the scenery while waiting for a bus, they always go for

the prose. Now they can go for the numbers, too.

Levi Strauss Canada is turning out a limited edition of jeans that bear five digits, inscribed on a copper plate. The buyer mails a tag with those digits to the company's "historical archives" and gets in return a certificate documenting ownership. And the compulsive reader receives a sure-fire way to identify pickpockets ("It was number 53604") plus the pleasure of studying a registered, if not necessarily pedigreed, backside.

Horse Power

After the City Council passed a bill requiring the licensing of horses and setting new regulations for their humane treatment, stable owners screamed that the \$25 fee is too high and the protections too elaborate. "What are they going to do for the horse?" one asked. "Put up a tree to shade him?"

What the bill would do, if Mayor Koch signs it after a hearing Wednesday, is much more sensible: limit the amount of work a stable can require from a horse and stiffen standards for stable size and sanitation, veterinary care and food. License fees would go to the Health Department, which will enforce the regulations, along with the A.S.P.C.A.

But the stablemen, who get \$17 for a half-hour carriage ride in the park, see little profit in kindness to animals. "Right now, we put horses on a scale and ask a vet, 'What's the bare minimum, per body weight, we can feed this horse?'" That's the best argument we've heard yet for a strong law licensing and protecting horses.

Letters

The Reagan Presidency Is 'Right on the Mark'

To the Editor:

On Sunday, Aug. 2, The Times bemoaned what it considers to be President Reagan's inability to understand or appreciate—or both—what The Times perceives to be the essence of the American political experiment, that a "free people can solve their collective problems through representative government." And further, that there will come a time when the American people will want "not just a powerful President but one who cherishes the power of government to act for the common good."

On Monday, Aug. 3, the striking members of the vital Patco union of air traffic controllers expressed disbelief that the President would "play his trump card so early" in giving notice that the union members had 48 hours to return to the job or be canned.

Between these two views of the Reagan Presidency, we get a glimpse of the achievement of the man.

Reagan has a view of the Presidency that leaves a few Americans (like editors of The Times and leaders of Patco) baffled. He views the office—and his obligation under it—to be nei-

ther the errand boy of Congress nor a republican emperor. For the first time in a long time, it seems safe to say, we have in the Oval Office a man who both understands and appreciates what the Founding Fathers intended the office to be.

In brief, those who hammered the American republic out of 13 loosely united colonies recognized the need for an energetic and independent executive. The lessons of administrative ineptitude and legislative tyranny taught by the Articles of Confederation were well taken. But the Founders also knew that such an energetic and independent office had to be understood within the context of a Constitution that was decidedly limited in scope.

Thus, while the objects properly to be addressed by the national Government were relatively few in number, where it did have the power to act, its powers were sufficient.

Reagan understands that his office is to be a limited yet energetic one. In both reducing the grasp and strength of the Government through his budgetary and tax cuts and issuing a terse ultimatum to a group that seeks to "con-

vulse" society in pursuit of its "partial interests" (to use the language of "The Federalist"), the President is right on the mark.

GARY L. MCDOWELL
Asst. Professor of Political Science
Dickinson College
Carlisle, Pa., Aug. 4, 1981

To the Editor:

I really take exception to the tone of your Aug. 2 editorial "The Reagan Paradox," and particularly to your incredible conclusion: "What is no longer in doubt is that his economic remedies mask an assault on the very idea that free people can solve their collective problems through representative government."

How desperately the average voter wishes his representative government could solve some particularly basic collective problems. For at least the past decade he has seen:

- A Government that has continuously debased the dollar through "printing press" financing and excessive economic "stimulation" during election years. (Remember the phrase "Not worth a Continental"?)

- A Congress, incapable of exercising fiscal discipline, continuously appropriating funds far in excess of revenues, with Government deficits expanding geometrically—and with no end in sight.

- An income-tax system, driven by the twin engines of hyperinflationary currency and fixed, progressively higher tax brackets, which remorselessly increases the tax burden without need for Congress to vote tax increases.

And how successfully have our elected representatives solved these very basic and collective problems through representative government in Washington? For 10 years they did nothing—hence the election of Ronald Reagan with a mandate from a public that is fed up with the failure of our representatives to recognize basic problems and act to remedy them.

That mandate is not against representative government—it is against poor representation. Above all it is for a change in direction: toward the basics and away from excessive taxation, irresponsibility and overregulation of the private sector.

This is a very healthy and long-overdue reaction to excesses in Washington over the past decade. The present debacle in New York City is living proof that any government that overextends itself in buying good will and votes from various interest groups ends up providing poor basic services to all its citizens.

The role of government in meeting large social needs is widely recognized. However, the public is also well aware of the old game of irresponsible politicians buying votes at public expense to keep themselves in office. This game ruined New York City and is rapidly undermining Washington.

The public is tired of footing the bill for this grand old game. This is no paradox, just common sense sharpened by overtaxation.

THOMAS F. FINNEGAN
Fort Lee, N.J., Aug. 4, 1981

Unreliable Samplings Of the Nation's Pulse

To the Editor:

For the past several months, President Reagan has been using "telephone calls to the White House" to support his policies and decisions. As any student of elementary survey sampling could tell him, this procedure is both absurd and dangerous.

For example, in the morning of Aug. 11, one of the President's press aides announced on the "Today" show that the President had received over 1,000 calls supporting his decision to fire the air traffic controllers, and only 70 against. Insofar as there are over 220 million Americans, Mr. Reagan's "poll" represented less than 9 millionths of all Americans.

Even worse, a few persistent crackpots could easily tie up the telephone lines to the White House in order to express their support for the President, thus giving the impression that their views are representative of the majority of the American people. In other words, this type of "poll" could very easily be biased by a few dedicated cheerleaders for this Administration.

If Mr. Reagan really intends to use phone calls as a measure of the popularity of his policies, then I suggest that all of your readers should call 202-456-1414 and give him the benefit of a broader spectrum of American opinion.

In lieu of this, it would be wise for President Reagan, his advisers and his public relations machine to stop bandying these telephone calls about, as if they had some relevance to the opinions of the majority of the American people.

ALAN M. SEAR
Columbia, S.C., Aug. 4, 1981

An Abundance of Soviet Friends of America

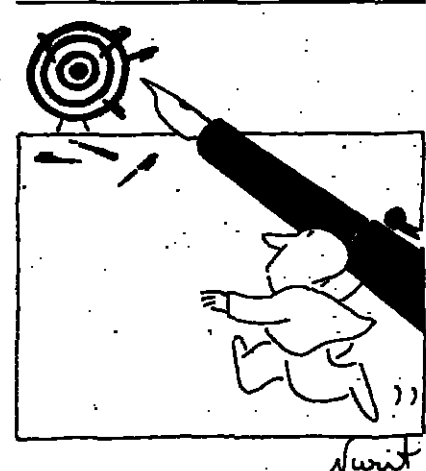
To the Editor:

In Bergen, at the start of a recent mail-boat trip along the coast of Norway, I was quite surprised to find a Soviet ship out of Murmansk berthed next to us, carrying possibly 250 tourists.

I wandered on down until I came to three officers standing on deck observing passengers coming up the accommodation ladder. I spoke to them in very poor Russian and in English.

The conversation went something like this: In Russian, "Good evening." Response, "Evening." "How are you?" No comment. "I am an American." No comment. "Do you speak English?" Response, "A leedle." Then

Q. & Q.



To the Editor:
Here are excerpts from letters addressed to you and printed in the 10 days or so ended Aug. 3:

"Your July 16 editorial 'Cambodia: Still a Sideshow' oversimplifies the situation and misses a point."

"Your July 11 editorial 'North Carolina's College Deal' contains misleading assumptions and factual errors."

"I disagree with the July 17 editorial 'Confidence in Intelligence.'"

"Your editorial of July 7 regarding the New Jersey Pinelands is sadly misinformed and off target."

"Your July 18 editorial 'The Public Housing Wrecking Crew' is highly misleading in two respects."

"It was disappointing to read your July 18 editorial 'Mayor Koch Adopts the Foster Kids' because it was an opportunity lost."

So tell me: Where do you get the gall to continue writing editorials?

ARTHUR WEYNE
Bronx, Aug. 3, 1981

From the Editor:
... or to continue printing letters?

What Safety Net?

To the Editor:

A letter I received today has confirmed my suspicions that our President's "safety net" never existed: The Association for Help of Retarded Children has informed me that, because of a lack of funds, my retarded daughter has been "suspended" from the sheltered workshop she has been attending.

The A.H.R.C. must get funds from the public and from government agencies to provide employment for the retarded. It could hardly be called gainful employment; from July 2, 1979, to July 10, 1981, my daughter's wages totaled \$613.17. What she really earns is a feeling of accomplishment and, a sense of purpose.

My first reaction upon receiving the letter was shock and outrage. Upon further consideration, however, I realized the strength of the bandwagon effect in politics. Voters choose leaders who reflect the current truths, and, in turn, society tends to reflect the tone set by those leaders, especially the President.

President Reagan may consider it unfortunate that some of our needy will suffer; in my house it is a disaster. I simply wish he would expend as much energy in helping my daughter as he does in defending a fertilized egg.

KATHERINE LOUKIDES
West Islip, L.I., Aug. 6, 1981

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or return unpublished letters.

Divorce Reform's Warning to 'Uppity' Women

To the Editor:

The recent U.S. Supreme Court decision that discriminates against military wives ("Divorce and Military Pensions," news story Aug. 7) is only one indication of the antipathy toward spousal support that pervades our domestic-relations laws and courts.

Pious proclamations of lawyers, legal authorities and legislators to the contrary, the underlying motive of divorce "reform" has always been: Get the guy off the alimony hook. This was a goal that could be accomplished best by adopting true no-fault (divorce on demand) and a subsistence concept of alimony (maintenance), and when California led the way in 1970, other states rapidly followed suit.

Old checks and balances were wiped out, and the wife was left with little or no leverage at bargaining table or dock, a disadvantage that was masked with an offer of a share of the marital property. Since most divorcing couples don't have all that much, the trade-off—less in ongoing support for some of the assets—proved

specious for the majority of wives.

This is clearly evidenced by a Census Bureau study that reported (1) fewer than half of all divorcing wives getting any property and (2) a median settlement of less than \$5,000 for the lucky minority. (In the same publication, the myth of alimony was also dispelled: only 3.5 percent of divorced women were getting it in 1978, and the average annual payment was only \$2,850.)

Over and above the economic boon for ex-husbands, divorce "reform" has served well as a warning to uppity women. It is not mere coincidence that the genesis of our present domestic-relations laws occurred in bar association recommendations (the Uniform Marriage and Divorce Act) just a few years after the publication of "The Feminine Mystique." Nowhere has the backlash to the feminist movement been stronger than in the matrimonial court—so strong that it has done in the traditional homemaker.

JOAN ANDERSON
Stony Brook, L.I., Aug. 10, 1981

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ESSAY

The Sacking Bomb

By William Safire

LONDON — "I have bad news for you," the pilot of a Pan Am flight told his passengers awaiting takeoff in Washington. "This plane is going nowhere."

Twenty-four hours later, after the Canadian Government put the heat on its own air controllers, the way was cleared for trans-Atlantic travel. Passengers and air crew swapped tales of the arrogance of this organized technocracy, recounting incidents during years of slow-downs that had planes lined up 20 deep — wasting fuel, causing losses and abusing the public.

Given that reservoir of resentment from pilots and passengers, combined with Ronald Reagan's reputation for hard-line reactions to challenges, the mass firing of law-breaking controllers caused little surprise in America. Pollsters and pundits agreed it was the logical thing for a Coolidge-quoting President to do.

In Europe, however, where powerful unions have had the muscle and often the inclination to dictate economic terms to complaisant governments, the reaction to "Reagan's mass sackings" was amazement and awe.

From this distance, the fine distinction that Americans see between the right to strike and the obligation not to strike against the public safety was blurred: instead, Londoners saw only a political leader challenged by union power and responding with a display of lawful authority and delicious righteousness.

Strange how "foreign affairs" can be affected by an exaggerated perception of another nation's domestic affairs. A kamikaze union, its membership in no way representative of America's labor movement, provided Mr. Reagan with the opportunity to earn an image of fearlessness and fearlessness that ordinarily would cost a leader at least one armed intervention in a medium-sized republic.

This was supposed to be the week for shock and horror to be registered by Europeans at the announcement of America's decision to assemble the neutron warhead. But the expected hand-wringing of the better-than-dead set has been overshadowed by the dropping of The Sacking Bomb.

Britons, suffering an unemployment rate of 10.5 percent, know that much of their nation's economic decline can be traced to the abuse of union power; similarly, Mr. Mitterrand felt the need to put Communists in the French Cabinet to placate union power. That is why so many Europeans have taken the firm Reagan reaction to the strike — which affects international air travel, and hence makes local news — to be an expression of America's new governmental character.

But the expectation is that a strong stand on principle will be followed by a series of concessions to the "realities." Informed opinion holds that Mrs. Thatcher, who proclaimed adherence to austerity, will soon cave in to her domestic advisers as she long ago caved in to her foreign-affairs Svengali, Lord Carrington. Informed opinion also assures us that Mr. Mitterrand, a lifelong Socialist, will turn out in power to be a pussycat capitalist.

In the same way, many world-weary observers think that Mr. Reagan's display of law and order macho will be followed by substantial compromise; that a mid-air collision or other mishap will raise fears of safety that will give the dismissed controllers increased leverage impossible for a politician to resist.

But informed opinion can turn out to be misinformed. We may have come to a time when Western political leaders have stopped calling compromise "accommodation" and started calling it "appeasement."

If damn-the-popularity becomes the new route to popularity, Mrs. Thatcher may be derided between elections and come out on top, as Menachem Begin did; Mr. Mitterrand may grimly ruin the French economy but broaden the base of the left; and Mr. Reagan may gain a reputation for strength that enables him never to have to put it to the test.

With the world as well as the nation watching, what should Mr. Reagan do now with the air controllers? Hate the sin, love the sinner; bust the union, and offer redemption to penitent discharges. Offer no official amnesty, and not one cent for tribute; but take a lenient attitude toward reapplying workers who say they were intimidated, or claim they had been sick that week. That will induce defections and speed a return to normality. In victory, magnanimity.

The controllers who walked out are greedy, irresponsible, elitist technicians now learning a new meaning of stress, who deserve to be taught an economic lesson, but they are not "deserters in the line of duty" to be lined up against a wall. Mr. Reagan should demonstrate that American justice is not only swift and certain, but that it can be tempered by a willingness to offer a second chance.

That would show the closely watching world that Mr. Reagan has good news to report: his principled plane is going somewhere, and there is room aboard for losers.

Maybe It's Time To Dismiss the F.A.A.

By Robert Poole

ment of the air traffic control system was so poor that the F.A.A. had no way of knowing how long its present computer capacity would be adequate.

If the air traffic control system is to be rebuilt, now is the time to take a hard look at the way it is organized and run. At present this vital safety system is operated by a politically run bureaucracy. Fortunately, that is not our only alternative.

The Special Air Safety Advisory Group — six retired airline pilots appointed by the F.A.A. in 1975 after a 727 crash near Washington — proposed another approach. They suggested that the air traffic control system might "be operated more efficiently with advanced technology as an independent public company" along the lines of Comsat, the Communications Satellite Corporation.

This idea was first suggested in 1968 by Glen A. Gilbert, a longtime aviation consultant who was the Government's first air traffic controller back in 1936. Mr. Gilbert's two-volume study proposed a Comsat-type corporation, financed half by user fees and half by taxes. Interestingly, his plan was endorsed in 1969 by Patco, the Profes-

sional Air Traffic Controllers Organization that is now on strike.

The advantages of a private-sector air traffic services corporation would be many. Freed of political control — the F.A.A. had four politically appointed administrators between 1961 and 1970, when it was attempting to automate — the corporation would be able to operate in a professional, businesslike manner. Freed of stultifying Civil Service rules, it would attract and motivate competent personnel.

Aeronautical Radio Inc., called Arinc, illustrates that an independent private organization would be more likely to keep pace with new technology. This not-for-profit corporation, jointly owned by the airlines, was set up in 1929 to provide radio communications and navigation services between air and ground. Arinc set up the first air traffic control centers, at Newark in 1935 and at Chicago and Cleveland in 1936, before the Federal Government pre-empted the field.

Thereafter, Arinc continued as a communications service company, pioneering the development of airborne very high frequency radio, navigational beacons and instrument land-

ing systems. Today Arinc operates for the airlines the world's largest private-line intercity communications network and the computer system that links more than 40 airlines reservations systems. Arinc's specifications for aviation electronics equipment are accepted worldwide.

In several foreign countries air traffic control began and continues as a private enterprise. Flights to Switzerland are guided safely to their destinations by Radio Suisse, a nonprofit corporation financed by user charges. Mexico's Radio Aeronáutica de México, S.A. (Ramsa) was set up jointly by the Mexican airlines and operated all air traffic control there until October 1978, when it was nationalized. Ramsa controllers went on strike for three weeks in protest, but to no avail. International Aeradio Ltd. has provided user-financed air traffic control services for many years in parts of the former British Empire.

In short, there is ample precedent for private air traffic control financed by user charges rather than taxes. And there is good reason to believe that such a corporation — like Comsat and Arinc — would operate efficiently and keep pace with technology. The F.A.A.'s failure to do either is what Patco's strike is really all about.

Robert Poole, who spent seven years working in the aerospace industry, is president of the Reason Foundation and editor of the forthcoming, "Instead of Regulation," from which this article is adapted.

Shifting Gears On Bribes Abroad

By Bill Brock

WASHINGTON — Just because the Foreign Corrupt Practices Act spotlights a sensitive subject — corporate bribery abroad — some people turn a blind eye to its shortcomings rather than risk being accused of being "soft on bribery."

That is too easy a way out. Retreating from controversy will not cure the law's deficiencies. Congress is addressing a complex, tough issue in a reasoned manner and deserves our attention and admiration.

As the Senate moves toward final consideration of changes in the act, this is a good time to discuss the modifications, which have been proposed in a legitimate effort to clarify the act's ambiguous language.

Here are several common misunderstandings and questions about the changes and some straight answers:

1. In modifying the act, Congress condones corporate bribery of foreign officials.

Wrong. Any corporation found guilty of "paying, giving, offering or promising anything of value to a foreign official for the purpose of obtaining business," under the revised act, would be subject to a million-dollar fine. Individuals would face a \$10,000 fine or five years in jail or both.

2. American businesses are crying wolf. The act has not discouraged exports. In fact, American international trade has increased since its enactment.

Not exactly. True, our trade has increased since 1977. But much of that increase disappears when adjusted for inflation. No one contends that the act is solely responsible for the last five consecutive years of trade deficits totaling \$100 billion. However, a General Accounting Office study, the President's Export Council and extensive testimony by businesses have cited the act as a significant export deterrent because of its vague and unpredictable application.

3. Without the act's provisions requiring businesses to establish new accounting systems, bribery of foreign officials will go undetected because the Government will not have a "paper trail" to monitor.

False. There are two misconceptions in this statement. First, under this law the Government can not "monitor the paper trail" to track down bribes. Instead, the act sets accounting and recordkeeping standards that all companies — whether or not they conduct international business — must follow. Second, the proposed changes would make a felony of falsifying books and records for the purpose of concealing illegal payments to foreign officials. It makes more sense to penalize the few who falsify their books to conceal a bribe than to impose a broad and expensive standard of recordkeeping on every publicly owned corporation.

4. If questionable payments are a way of life with some of our trading partners, what is so bad about conforming to accepted business practices in other countries so long as we do not do it at home?

Plenty. Bribes are morally, ethically and economically wrong. They create national security problems, distort normal market forces and, by corrupting officials, jeopardize the political stability of friendly nations. They suffer, and the United States suffers from that "way of life."

5. Transferring jurisdiction over the act from the Securities and Exchange Commission will insure that bribery of foreign officials will go undiscovered. After all, the S.E.C. was solely responsible for the disclosure of illegal payments that brought the whole issue to a head in 1975-76.

False. The S.E.C., under its charter, would continue to police the financial disclosures of American concerns and protect the rights of public investors. The proposals seek to differentiate between the duties of different Government agencies. The Justice Department is now responsible for enforcing all criminal penalties but only some civil penalties under the act, leaving the law subject to interpretation by two enforcement authorities. The changes consolidate under the Justice Department the enforcement authority for all domestic and foreign anti-bribery laws.

6. The real way to curb bribery around the world is through international negotiations.

True, but don't hold your breath. Until now, the United States has had to go it alone. For six years the United Nations Economic and Social Council and the General Assembly have failed to obtain a commitment by other nations to an international agreement outlawing bribery. Still, the Administration's proposals would require the President to pursue international agreements to prohibit illicit payments to foreign officials. We can strengthen our leadership in attaining international agreements by demonstrating to our trading partners that we have created a stringent yet fair prohibition against bribery without sacrificing exports.

Changing the act is a complex issue, and emotions will run high in the debate. But the mandate of the American people is clear: a law should be understandable, enforceable and reserve sure and certain punishment for the few who violate it. As it is now, the act penalizes the innocent more predictably than the guilty, and along with both, our competitiveness in world trade.

Bill Brock is United States special trade representative.

Negotiating on Arms: It's No One-Way Street And Getting There Is Half the Fun

By S. Frederick Starr

NEW ORLEANS — For some weeks now the White House has been pressed to enter negotiations with the Soviet Union on arms control in Europe. President Reagan has thought it necessary to delay. Along with many other Americans, the President clearly would prefer to wait until our military strength is so overwhelming that we could not possibly lose out in a negotiating process. The new military budget is the price we pay for a strong negotiating position.

Implicit in this attitude is the notion that whenever Soviet and American negotiators sit down together, we end up the losers. This view was heard frequently during the debate on the second strategic nuclear arms treaty. Not without pride, critics of the treaty pointed out that Soviet leaders, with no need to respond to domestic opinion, could plan and execute their strategy with the freedom of chess players while American negotiators had to contend with the intrusion of Congressional activists. It was also argued that democratic elections, because they cause us to change negotiating teams frequently, give the unchanging Soviet negotiators a further edge. According to this pessimistic view,

democracy at home requires that we be babes-in-the-woods in negotiations abroad.

History has been rewritten to bolster this image of American innocence in the world of diplomacy. Woodrow Wilson's achievements in the Treaty of Versailles are played down, the failure of his millennial hopes exaggerated. That Franklin D. Roosevelt did a creditable job at Yalta is buried beneath the accusation that he sold us down the river there. Adm. Charles Turner Joy, who negotiated the Korean armistice, returned from Panmunjom to warn darkly against "the creeping disaster of unskilled efforts in negotiations between our world of freedom and that of tyranny." The same refrain was repeated during the Vietnam negotiations in Paris, and during the Helsinki meetings.

It could reasonably be argued that the only loss we suffered in these parleys was in comparison with our boundless expectations. But such a view gains little sympathy today, for we are in the grips of a state of mind that might be called negotiophobia. Negotiations are seen as "their" game, a form of international strug-

gle to which authoritarian regimes are peculiarly adapted, an arcane form of psychological warfare rather than a practical process. And since the United States is slated to lose in these shark-infested waters, we choose to avoid them.

The United States pays a high price for its negotiophobia. Washington officials and Congressmen are busy people; unless negotiations are on the national agenda, they have difficulty scheduling time in which to consider great issues such as arms limitations. Whatever their shortcomings, the strategic arms negotiations made it possible for our civilian leaders to educate themselves in the awesome complexities of nuclear weaponry.

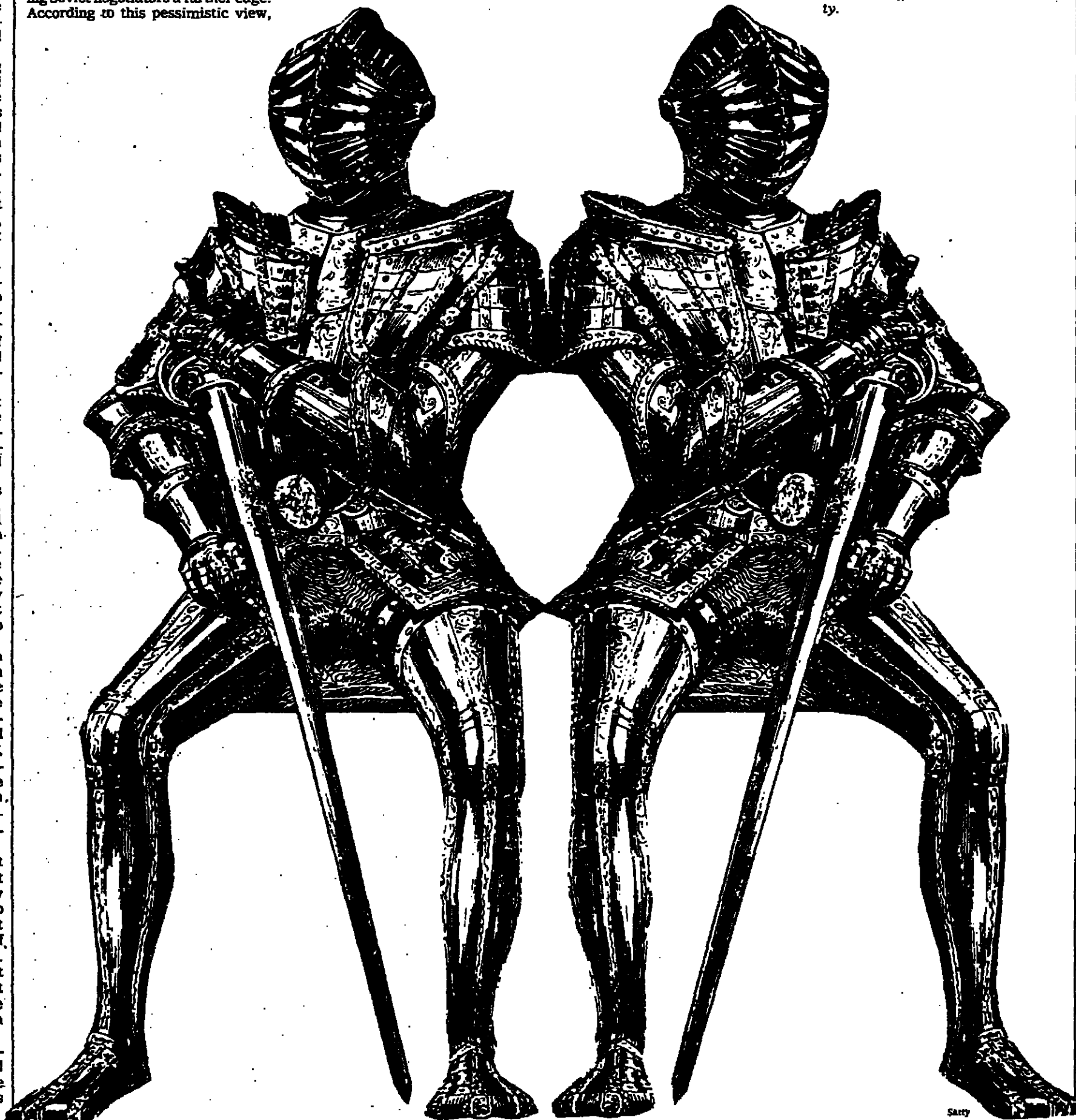
Negotiations also provide important channels for informal communication between the main world powers. Such informal channels can serve as a safety valve for the inevitable tensions arising from the presence of two such mighty bulls in the global china shop. To some extent, the product of negotiation is the process itself.

Contact between this country and the Soviet Union has been severely curtailed since the collapse of the

second strategic arms treaty. The Soviet military move into Afghanistan only completed a process that was well advanced before December 1979. Embassy personnel of both countries are isolated. Cultural and scientific links have been greatly reduced. After nearly two years of this standoff, we have a new generation of executive and Congressional leaders who have had no contact with their opposite numbers in Moscow. It would be hard to argue that this contributes to our national security.

Negotiations involve risks. Each side will sing paeans to parity but use every device at its disposal to promote its own advantage. In order to limit the risks, we must have our objectives clearly in mind, then muster expertise to pursue them. But a country with thousands of skilled labor negotiators, hundreds of specialists on the technology of armaments and scores of experts on the Soviet Union is at no disadvantage at the negotiating table. Unless it thinks it is.

S. Frederick Starr, formerly secretary of the Kennan Institute for Advanced Russian Studies at the Wilson Center in Washington, is vice president for academic affairs at Tulane University.



Arts & Leisure

He Can't Stop Playing 'Enry' Iggins

By PATRICIA BOSWORTH

BOSTON

"Oh, please do come in," Rex Harrison says in his crackling voice, guiding a guest through his suite at the Ritz while he glides ahead to arrange some chairs. He is dressed in tan slacks and sport shirt, and he is wearing what seem to be brand new leather bedroom slippers.

Long ago Mr. Harrison got the reputation for being a debonair scoundrel. At 73, he still exudes mischievous sexuality. And when he smiles — ever so slightly — he reveals a dimple.

He has been called the greatest actor of light comedy in the world. In his 50-odd years on stage and screen he's played a profusion of cads as well as the King of Siam, Caesar, a pope and also a ghost. But he'll be best remembered as the caustic elocution professor Henry Higgins in Alan Jay Lerner and Frederick Loewe's musical "My Fair Lady." He's been touring in a revival of the classic which opens Wednesday at the Uris theater.

In 1957 Mr. Harrison was Higgins (Julie Andrews was Eliza) in the original Broadway production and he won a Tony for his portrayal. He triumphed in the London company as well and in 1964 he got the Academy Award for his performance in the movie version of "My Fair Lady" starring opposite Audrey Hepburn. Despite this acclaim he has found particular satisfaction in the standing ovations he's been receiving as 1981 audiences rediscover him as Higgins.

"I don't remember getting all those standing ovations back in the 1950's," Mr. Harrison says. "By now everybody knows the show — either from the movie which they see on TV or from the cast album. But most people prefer seeing it live — on stage. Naturally I'm very pleased."

As well he should be, since Mr. Harrison is responsible for a good deal more in this production than simply re-creating Henry Higgins. He has total artistic control of the \$1.7-million enterprise, including scene design and choreography — one reason he decided to sign on in the first place. Another reason was the reported \$50,000 a week he receives as salary. Before he went into rehearsal he hand-picked his director, Patrick Garland, as well as the cast — from Milo O'Shea, who plays the raffish Alfred Doolittle, to Cathleen Nesbitt, still thriving at 93. Mr. Harrison convinced her to re-create her portrayal of Henry Higgins's mother.

Mr. Harrison also battled Actors Equity, insisting that Cheryl Kennedy, an English actress, play the cockney flower girl Eliza Doolittle. He and his producers took the matter all the way to arbitration in order to import Miss Kennedy from England.

Mr. Harrison defends his stand. "My Fair Lady" is a play with music, not a musical pageant," he says. "We auditioned hundreds of American actresses in New York and California who could sing beautifully but could not command the cockney accent the way the part demands it. It's as if — well — can you see me doing a Humphrey Bogart role? Detective Sam Spade in the 'Maltese Falcon'?" His voice rises in mock exasperation. "Same thing."

"There are only slight production differences between the original 'Fair Lady' and this show," he goes on. "We did change the look of the cockney dance scenes — the costumes have earthier tones than the original and now the dancers sing as well as dance — there's a greater ensemble feel, I think."

As for his own performance, he says, "I've mellowed a bit. I used to be extremely frenetic. We still have the implied happy ending, which I don't think Shaw would have liked. He was very much a realist."

"For me, 'My Fair Lady' has stature because it is based on George Bernard Shaw's 'Pygmalion.' When Alan Jay Lerner and Fritz Loewe approached me about playing in it 25 years ago — I was appearing in 'Bell, Book and Candle' at the time — I insisted that Shaw's key scenes be retained."

Back then Mr. Harrison had contractual assurances from the producers that the Shaw dialogue would not be tampered with. During rehearsals with Moss Hart, Mr. Harrison says he made himself quite unpopular by reading from Shaw's "Pygmalion" rather than from the "My Fair Lady" script.

"Originally I had a block about appearing in a musical," he says. "So I wanted to be able to lean on the dia-

'If you miss a word — heaven help you — the orchestra rattles past like an express train.'

logue. I went to a voice teacher for awhile, but that did no good. My range is about one-and-a-half notes. I ended up talking the musical numbers, which was revolutionary at the time. At first I was absolutely petrified, since I'd never had 30 men at my feet staring up at me before. Now the orchestra is a very pleasant ally."

Today he finds the show "as demanding as ever, but for some reason I'm enjoying performing the songs more than I used to. The lyrics are extremely intricate. They move along like a precisely acted scene. If you miss a word — heaven help you — the orchestra rattles past like an express train and you've got to run like the devil to catch up."

Speaking of songs, Mr. Harrison says that "Higgins initially had no musical numbers between his entrance to the ball and Eliza leaving him to go back to Covent Garden. We noticed this imbalance after the first reading and Alan Lerner and I walked back to the Hotel Pierre to discuss it."

"Nancy Olson [then Mrs. Lerner] listened to us bickering back and forth. She was obviously having difficulties with Alan and vice versa — he didn't seem to want her to enter our conversation. Suddenly she interrupted very coldly with, 'What you really mean Alan is, Why can't a woman be more like a man?' With that, Alan raced to his desk and penned those immortal lines."

In his autobiography, Mr. Lerner writes that the two men were also discussing their various ex-wives. Mr. Harrison has no memory of that. Nor will he pursue the subject of his many divorces. He rarely discusses his private life, explaining: "I'm not a shy man, but I am a very private

Patricia Bosworth is the author of "Montgomery Clift, a Biography."



Twenty-four years after Rex Harrison triumphed as Henry Higgins in the original "My Fair Lady," the star returns in the revival opening Tuesday at the Uris. Cheryl Kennedy plays Eliza and Milo O'Shea is Alfred P. Doolittle.

one. I really don't want people to know what I eat for breakfast."

He will admit, however, to being "very happily married" to his sixth wife, Mercia Tinker. They met while Mr. Harrison was starring in "The Kingfisher" opposite Claudette Colbert and they married in 1979 during that play's Broadway run. Not long after that, Mr. Harrison published a book of poetry which he dedicated to "my beloved wife who has taught me the art of living and loving at last."

Mercia runs their homes in Monte Carlo and New York and travels with Mr. Harrison on the road. She has put him on a special diet and encouraged him to do situps and yoga.

"Acting on stage is a strenuous business — if you don't take care of yourself you're lost," he says. Mr. Harrison not only takes expert care of himself, but he watches out for the entire company as well, scribbling notes on the show in the wings, giving pep talks if he feels energy is lagging. During the grueling nine-month tour, he regularly scheduled dinner parties for the 70-member cast. "So we could let off steam together," he says. "We became like one happy family."

He never stops thinking about "My Fair Lady." The show is with him 24 hours a day. What keeps him fresh after doing the part over a thousand times? "Concentration," he replies. "Total concentration. Creating another detail. Good acting is an accumulation of details. But I usually give only one or two performances a week that come up to my standards. I'm a chronically dissatisfied perfectionist."

Rex Harrison was born in Huylen, England, 73 years ago, the son of Edith Carey and Reginald Harrison, a cotton broker. As a boy he was pale, irascible and half blind. "And a terrible student," he adds. "All I was interested in was acting. I never wanted to do anything else."

His passion for theater began at the age of 7. He saw a Christmas pantomime and then rushed home to perform it over and over again for his mother. At 16 he joined the Liverpool Rep. His first job was backstage, and it included rolling umbrellas for the company. He soon graduated to small roles and spent the next decade touring the provinces learning how to handle "every kind of audience imaginable."

Eventually London critics noticed the young actor's suave presence on stage in plays such as Noel Coward's "Design for Living" and Terrence Rattigan's "French Without Tears."

Offstage he wore a monocle and clenched a cigarette holder between his teeth. The monocle was a necessity since he was practically blind in his left eye.

By the late 1930's he'd begun to make movies such as the film version of Shaw's "Major Barbara."

During filming Mr. Harrison says he and his co-star, Wendy Hiller, were having difficulty understanding the last scene, which had some "rather high-flown language." At one point, Shaw came over to interpret, and "we sat with him like two small children while he painstakingly re-read his own work. When he finished he looked at us with a twinkle in his bright blue eyes and cried out, 'What a terrible scene.' And then he repeated the sentence as if to give it more emphasis. 'What a terrible scene.' And that's all we got from him."

Throughout most of World War II, Mr. Harrison was in the Royal Air Force as a radar flight lieutenant. After his discharge Mr. Harrison went right back to acting, starring in the movie version of Noel Coward's "Billie's Spirit." Critics found his performance masterful.

By the mid-1940's 20th Century-Fox brought him to Hollywood. He made a number of movies such as "The Ghost and Mrs. Muir." A particular favorite was a much neglected comedy called "Unfaithfully Yours." "The late Preston Sturges wrote and directed," Mr. Harrison recalls. "I thought he was an absolute genius. Vengeful. Paradoxical. He adored the whole process of movie-making — movies that seemed both self-perpetuating and self-destructive. He'd always direct wearing a red fez on his head, and he was famous for the lunches he used to organize. They were stimulating gatherings where, over coffee, he'd suddenly open up his little black notebook and read aloud his latest ideas for films. He'd get so carried away by his own originality that he'd grab passers-by in the commissary and demand that they listen to him, too."

Working with Sturges remains one of Mr. Harrison's happier memories of the movie business. He says the major turning point of his life was leaving "that luxurious Hollywood swamp" and returning to the theater where he could be in total control of his career again.

In 1950 he came back to Broadway to star in Maxwell Anderson's "Anne of a Thousand Days." For his performance as Henry VIII ("for which I was totally encased in foam rubber padding") he won a Tony Award.

Since then he has alternated between stage and film, doing plays by T. S. Eliot, Chekhov, Anouilh, Christopher Fry and Pirandello. He has also starred in some 30 movies — some of the most recent being "Cleopatra," "The Yellow Rolls Royce," "The Honey Pot" and "Doctor Dolittle"

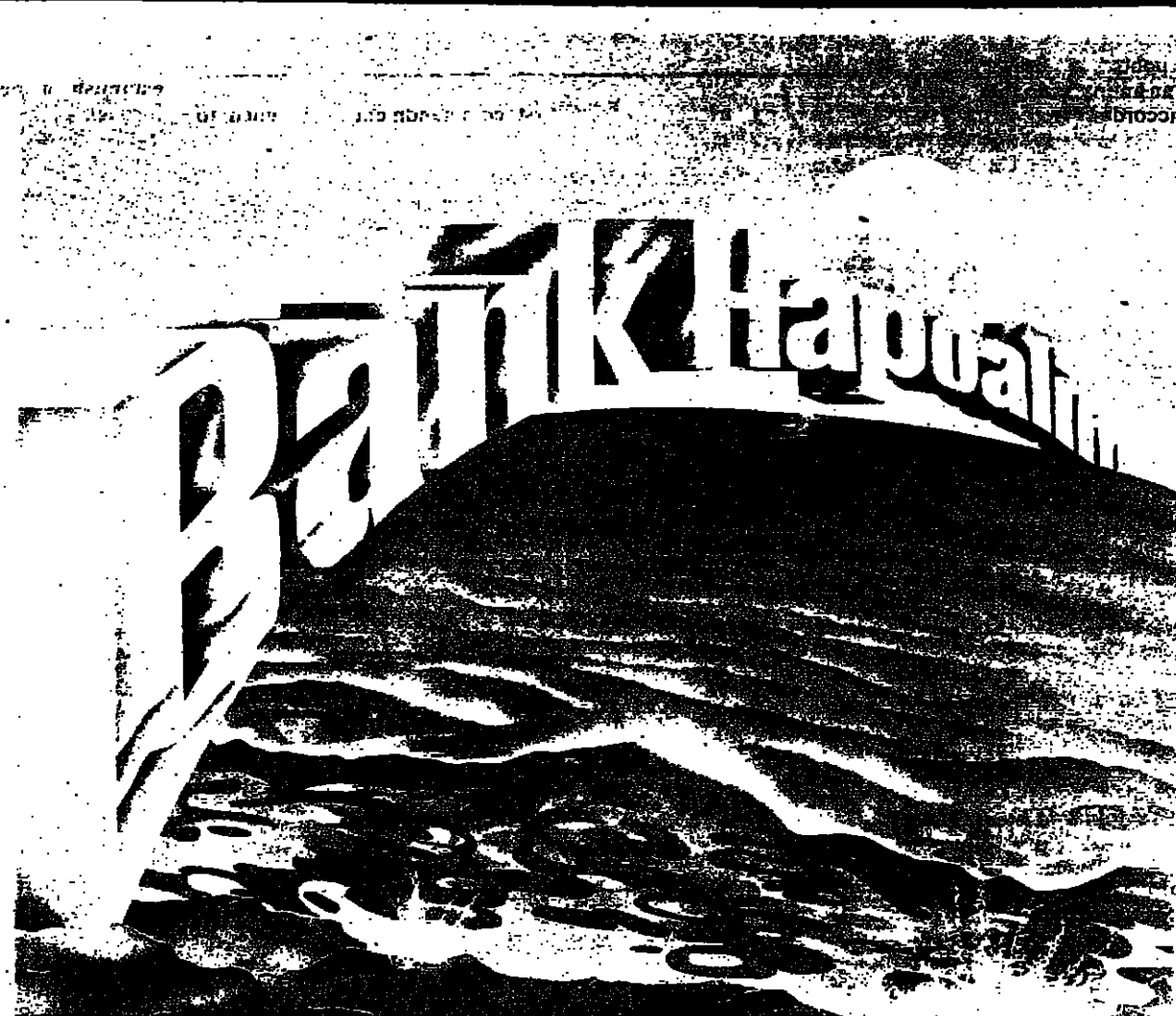
("In that one I rode a giraffe and appeared to kiss a seal. My love of animals was sorely tested.")

He has been quoted as saying "All I care about is getting a good notice." When he was nominated for an Academy Award for "My Fair Lady" he was "insufferable" to everyone around him; he was sure he would lose to Anthony Quinn for "Zorba the Greek."

Some years before he won the Oscar, he went through a terrible ordeal which he wrote about in his autobiogra-

phy, "Rex." In 1958 he had married his third wife, Kay Kendall, with the knowledge that she would be dead in two years from leukemia. But he never told her or anyone else.

Instead, according to a friend, "Rex gave the performance of his career. He was always witty — gallant — and hilarious with Kay. He behaved as if he didn't have a care in the world. He would purposely leave her for a few hours to play golf although he wanted to be with her every minute. But he didn't want her to suspect how gravely ill she was. She never knew."



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מכאן אל תפסיק

LEADING Moshe Haim Luzzatto's abbaistic work *Messilat Yesharim* while sitting on a glacier and fishing in Alaska is only one of the unusual ways in which students of an unconventional yeshiva in California try to get closer to Judaism.

The trip to Alaska, led by yeshiva under Rabbi Matis Weinberg, gave the 13- to 21-year-old students a chance to trace Jews whose ancestors reached Alaska during the century's Gold Rush.

This summer, the 80 male students and faculty of Kerem, the Hebrew Institute of California, arrived in Israel for six weeks (the 35th will come next year) for a close encounter with the Judaism they have been studying all year.

The yeshiva for high-school and college-age youths was founded over years ago on a 40-dunamampus that used to be occupied by Earl Warren Elementary School Santa Clara. Rabbi Weinberg, a year-old native of Baltimore who spent eight years in Jerusalem shivrit, including the Hebron shivrit, felt that the only place in America where he could establish an innovative institution was in California.

"It's the only place without preconceived notions," he says, "in that the Orthodox establishment of New York would look down on Kerem's techniques. An unconventional Orthodox yeshiva, Weinberg carries around a portable videotape recorder with the cassette of a lecture about Kerem that was given on a California news programme and introduced by a Jewish-American anchorwoman. A two-minute item, he says with wonder, took nine hours for a TV team to research and film."

MOST ALL of the students are "enlightened" Jews, but Rabbi Weinberg hates the frequently-used Jewish term "ba'alai t'shuva." "I myself haven't been t'shuva yet," he says. "The youngsters come mostly from upper or middle-class Jewish families, many of which are broken

A TECHNOLOGICAL society, technically every action influences a environment and tends to be controlled by government. Toxic disposal, for instance, is the result of a large number of people; even something as prosaic as a new road may adversely affect the view and quality of life. Engineers and politicians must work out a *modus vivendi* to keep things moving, and as it happens, each of these two streams — engineering and politics — draws people who have an antipathy to the other stream," according to Prof. Ron Tribus, director of the Center for Advanced Engineering at the Massachusetts Institute of Technology, who was recently in Israel to attend the annual meeting of Technion's Board of Governors.

At 60, Prof. Tribus can point to a varied career in academia, business and government, which he has provided him with the experience to give pertinent advice to engineers and politicians on a technological society may be to survive. He has even drawn his "Seven Commandments" to guide the passage of projects through the political process. During World War II, Tribus led in the U.S. Air Force as a liaison, dealing with aspects of air power. After his release he spent 15 years at UCLA, where he began as a graduate student and became a professor. Between 1961 and 1969, he was dean of engineering at MIT and was appointed Assistant Secretary of Commerce for Science and Technology in the Nixon administration. He moved in 1969, because he was appalled by some of the things going on by the administration. He was then appointed senior vice-president for research and engineering of the Xerox Corporation, and in 1976 moved to MIT to head the research center of a technological

Gap 1936, when Ramot Hashavim of three years old, the heads of families included two farmers, 29 former merchants, 29 doctors, seven lawyers, industrialists, two former economists, one former agent, a farmer and a number of others I have forgotten. It was Yekkes and all had some poultry farmers — so I did (by the Settlement Department of the Jewish Agency) because average age of the village was already considered (most were in their middle ages). I met them at the outset that I am disposed towards Yekkes — explains why I liked this village. Hashavim, broadcast on the radio Programme at 22.05 hours Friday evening. I've (probably Wilhelm or Iffang or Walther originally in (Schwern) now an alert 85, and that members had had a Zionist motivation. Chicken Yitzhak Weiman, the village doctor, recalled that the Yekkes came their distaste of "Ostn" when they accepted him. They were model students, he said, and his word was law. I did Yekkes Ze'ev Landsberger: were always a bunch of individualists. We didn't want to have a kibbutz nor were we even prepared to accept the close cooperation of a moshav shifumi (cooperative smallholders' village),

A CLOSE ENCOUNTER

By JUDY SIEGEL/Jerusalem Post Reporter

by divorce ("What can you do, it's California?" asks the Rabbi resignedly).

The annual tuition for the dormitory-school is \$4,600. But if parents can't afford it, "we take the kids in anyway. These parents are expected to help out in other ways like public relations or the like," says the Rabbi. The 20 per cent of the students whose parents oppose their going to a yeshiva are also admitted, even though they can't afford the fees.

"We'd reject a kid who is cynical or jaded," says Rabbi Weinberg. "That comes out easily in an interview." Kerem also turns down those students who lack idealism or whose parents force them to attend.

THE STUDENTS are not pushed into observing the *mitzvot*, says the Rabbi. "I believe that if you show people how wonderful Judaism really is, that it is relevant and alive, they will want the real thing." Thus, he says, students naturally come to observe Shabbat, *kashrus* and the other commandments without compulsion.

Kerem's 23 teachers, some part-time, trained with Rabbi Weinberg at the Ner Israel yeshiva in Baltimore for three years. Special curricula and texts were also prepared there.

Rabbi Weinberg says that Kerem is unique in teaching Jewish source material in large doses. Teenagers who arrive as freshmen without knowing a word of Hebrew become closely familiar not only with the Bible, but also with the Mishna and other sources. "We give them a broad overview of Judaism, and

then they can go and focus on specialties," he adds.

Kerem's staff has produced study materials with brief sentences which summarize pages of source material, he continues.

ALIYA-ORIENTED without being formally or politically Zionist, the yeshiva produced its own anthology about Israel from the Babylonian and Jerusalem Talmud called "Masechet Eretz Yisrael." The collection's obvious but unspoken lesson is that aliya is the ideal aim of every Jew.

Rabbi Weinberg expects that "10 per cent" of the students who are on this summer trip will remain here at Israeli yeshivot, without ever going back to bring more personal belongings.

All students go through an intensive Hebrew *ulpan*, and for several days at a time, they aren't permitted to say a word in English, "even in the showers." The teachers encourage them to stage mini-dramas, including an encounter between an Israeli and an Egged bus driver. Israel Educational TV's "Ivrit B'shman Tov" is valued as a good way to teach conversational Hebrew.

The course of study is rigorous, to say the least. Boys rise at 6 a.m. for study, followed by prayers and breakfast. (During the school's first year, when money was tight, the boys cooked all meals for themselves and the girls, who have a separate campus. This "was excellent, because it taught them not to be spoiled," the Rabbi says.)

The Jewish studies courses are not organized by grades and age,



Rabbi Matis Weinberg; students at work ... a rigorous course of study.

but according to the level of each student. One 11-year-old who was known as something of a genius, says the Rabbi, studied Talmud with the college-age students.

After lunch, the students pursue their secular studies, but they too are taught with a Jewish accent. For example, Rabbi Weinberg teaches a course in the "knowledge explosion," about the scientific developments of the world.

A course in astronomy is taught at night, with lectures relating to astronomical references in the Talmud. "This gives the kids a sense that Judaism is directly connected to life. There are no off-limits."

After dinner, there is more religious study, followed by study hall, when homework is done. After evening services at 9:30 p.m., the boys are expected to complete the study of one page of material — whether from the Pentateuch, Prophets, Mishna, Gemara or the like. Then more study hall and off to bed for six hours or so. Sandwiched in between are physical education classes, including karate, and time for the campus swimming pool, a rarity in a yeshiva.

THE GIRLS' schedule is somewhat less rigorous, but they too study

programmes unmanaged in the bowels of a bureaucracy.

Bureaucracy, any bureaucracy, Tribus points out, is constantly engaged in a fight for its own survival in its own form. It will not countenance any new idea that threatens its existence, or even necessitates personal job changes. Furthermore, bureaucracy fights to the death for its domain. If it becomes impossible to carry out a new project with the existing bureaucracy, it may be necessary to establish a new one to see it through.

VII. Thou Shalt Not attempt to steer a course without feedback. Tribus states that even if your goals and policies are in place and you have made a good study, figured out management and organized relationships to bureaucracy, you still need a good information system to help you see at all times how you are progressing towards your goals. Considering the enormity of many technological projects, it is not good enough simply to let each section get along on its own. Some managers may hide the facts from you long enough to assure their promotion, or even until they move to another job.

He notes that the armed forces have long since learned this lesson and it is time the engineers did too. "The Napoleonic wars were the last in which the general committed his troops to battle, the outcome was in the hands of the gods. And that was 200 years ago. Today, we have ways of keeping informed and we must work that way."

Prof. Tribus argues that his system should make the moving of a technological project through the political process quite efficient. He has no illusions that it will solve all the problems. "I'm sure that Moses too was smart enough not to believe that his commandments would be observed by all the people all the time. Like him, I know that sin is too profitable," he says.

backs and they mine in this unique unisex experiment, the purpose of which still has me puzzled. It took us longer to live down the initial impression my brother and I made in our grey flannels, school tie, cap and all. This was a hot summer's day. The kibbutz kids thought it was Purim all over again.

Thank you, Raphael Amir, for an enjoyable summer evening hour, even though this may not have been everybody's cup of Blumchenkaffe.

THE MID-WEEKLY marriage counselling programme (late show, Tuesday, Second Programme) this week included a rather unusual story of a girl who is losing her eyesight and her desire to be united with her boyfriend who is completely blind.

"We could have perfectly healthy children," she says. They have a doctor's promise. Except that her parents are strongly opposed to the match. Questions that remained unanswered included such basic issues as whether the man could sustain a wife, not to mention a family, and how dependent they would remain on her and his family. But that wasn't the point.

It was the eloquence of the girl that held me spellbound. Her plea to let the disabled live their lives and her outspoken demand for her share of happiness left nothing more to be said on the subject. It had all the makings of a tear-jerking classic. Almost too sad to be true.

Coping with technology

By YA'ACOV FRIEDLER/Jerusalem Post Reporter

society forces us to deal simultaneously with technical and political problems, he points out. But, "education for success in politics doesn't require an understanding of technology, while education for a technological or scientific career has very little requirement for understanding political processes."

The problem bothered him and he wrote papers suggesting seven steps towards a solution. "But no one listened. So I started turning it around into a Thou Shalt Not form, which I thought was more likely to catch the eye, though I had no illusions that they would be observed right away — after all, they didn't come off a mountain on a tablet."

Prof. Tribus's Seven Commandments:

I. Thou Shalt Not launch programmes without clear goals. This entails clearly spelling out the goals and not fobbing off the public with generalities about your project being "for the greater good and happiness of the people." Tribus notes that President Nixon's "Project Independence," which was aimed at making the U.S. independent of oil imports within a decade, was unrealistic (unlike President Kennedy's man-on-the-moon project in the previous decade). From personal experience he knows "how the goal was set without due consideration" and served only to create lots of confusion, which his

first commandment is designed to avoid.

II. Thou Shalt Not depend on public support for things in which the public has no interest.

III. Thou Shalt Not tell lies — not even if the cause is good. He warns engineers that far from avoiding problems by telling lies about the technical side, they not only miss the chance for building a reputation for honesty, but they also compound problems and harm the public's faith in technology.

IV. Thou Shalt Not tackle vast problems with inadequate strategies. Before embarking on a huge project (the Med-Dead Sea Canal?), "you must first establish what is required in resources, skills, and technologies. You must consider the technical risks and how to cover them, accumulate more knowledge and consider the alternatives. You should make provisions for proper management and for monitoring progress."

"You should make strategic studies of the alternatives before you start. You should not confine yourself to a study of only what you want to do, because it's weighted."

V. Thou Shalt Not organize the opposition or fashion weapons for the hands of their enemies.

"In any project somebody stands to lose — you should not draw their attention to it by telling them."

VI. Thou Shalt Not leave thy

Points of departure

LISTENING IN...Ze'ev Schol

but we did realize that there were a good many things which we would have to do together — including marketing. So we founded a cooperative society which took care of that part of our needs.

"Things that were private, remained so. But all members were obliged to buy and sell through the coop only."

"Yekke discipline overcame Yekke individualism," noted Landsberger.

The Yekke's emblem was a winged egg. Its name: El Al. "It was a symbol," says Landsberger, "of our desire to go on to higher and better things. Hence the wings and also the name. The colours chosen for the emblem were, naturally blue and white."

TEACHER Esther Barnea could only confirm what the children had to say about their home village. "It's much nicer and quieter than elsewhere, and we are all one big family," they chirped in a totally unaccented Hebrew.

Hana Winter and veterinarian Dr. Nebel recalled some of the difficulties of their own absorption as children.

"They laughed at us because of

our European dress, our knee-length shorts, our knee-stockings and our punctuality."

Eventually, however, they managed to win the respect of the sabras by being good at their studies — "particularly English and arithmetic" — and by turning out also to be good friends.

"At first the sabras were quite nasty and I had to be forced to go to school. I just wouldn't go!" Hana Winter recalled.

It so happens that I also have some recollections of my own first school "contacts" in this country, and they weren't pleasant either.

Fresh out of an English boarding school we were sent to Mishmar Ha'emek's famous experimental educational institute. "Experimental" included total coeducational facilities, from showers to bedrooms. It wasn't until some three or four days after our arrival, that I first ventured into the "common" shower. I did so at night — and the water was already icy cold.

I was standing there minding my own business when a little girl of about my age (the year was 1936) marched in. Within a few days, I was snuggling the other little girls

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A perceptive guide to shopping and services in Jerusalem

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Profits static at Alliance Tire

By JOSEPH MORGENSTERN
Post Financial Reporter

TEL AVIV. — For the six months ending June 30, the profits at Alliance Tire and Rubber Company, the country's only producer of automobile and specialty tires, were nearly static.

Profits were reported at IS137m. compared with IS125m. a year ago. Sales however showed a nominal rise of 115 per cent and totalled IS401.8m. in comparison with IS186.5m. a year earlier.

The net earnings per share were IS4.64 as opposed to IS4.24. The company's shares are traded once a week on the Tel Aviv Stock Exchange, due to the small amount of shares outstanding. They are also traded on the American Stock Exchange.

The drop in profitability has been

attributed to the lower exports to European countries whose economies are lagging and whose currencies have dropped.

Sales in Israel have also fallen off and prices obtained on the local market have not been allowed to rise sufficiently to offset rising costs.

The cost of financing has also been blamed for the poor showing. In the six months in 1981 the cost of financing stood at IS37.8m. as compared with only IS13.65m. a year ago.

	For six months ending June 30, 81	For six months ending June 30, 80
Net Sales	401,798	186,476
Cost of Sales	320,847	146,033
Sales Expenses and Administration	28,771	12,098
Financing costs	37,811	13,453
Other expenses	633	148
Profit before taxes	13,736	14,494
Taxes	—	2,000
Net after tax profit	13,736	12,494

Bleak future for sardines

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The canning industry has refused to make any commitment to buy the catch of the sardine fleet, whose season is due to start this week.

Eliyahu Kalai of the Fishermen's Union told The Jerusalem Post that the industry claimed the market was swamped with imports with which it could not compete, due to the high cost of capital. The industry has also received unlimited permits to import fresh mackerel and tuna for canning.

Kalai said that 30 groups of fishermen, some 180 men, mostly Arabs from Acre, are to start the season, but the outlook is bleak, whether or not the catch is good. They need an assured income of at least IS750 per ton for their catch to

make the work pay.

They are now waiting for Simha Ehrlich to settle in at the Agriculture Ministry in order to put their case to him.

Kalai said the market was being swamped with cheap imports "either at dumping prices or of low quality." He called for a curb to imports to give the local fishing a chance. He noted that sardine fishing is a tough enough business as it is, because the seasons have become very uncertain during the past three or four years. This year, for instance, very limited catches were landed during the first half of the season in spring, and all the men's hopes were now pinned on the second half, which is to last for about two months. There is a very limited market for fresh sardines and the bulk must go to industry.

Drop in sight for OPEC prices

GENEVA. (Reuters). — An OPEC meeting in Geneva this week may prove unique in the annals of the oil-exporter group in that at least some members could join in an unprecedented round of price cuts.

The oil ministers of OPEC are due to meet on Wednesday with preliminary talks starting today between Sheikh Ahmed Zaki Yamani of Saudi Arabia and some of his 12 colleagues. Saudi Arabia, by far the biggest producer and the leading moderate, hopes the result of the Geneva meeting will be a deal on a new price structure which it has hitherto argued should involve reductions in the top tier of OPEC quotes.

That idea met fierce resistance when OPEC last met on May 24, with militant Libya and Iran accusing the Saudis of "OPEC dictatorship." But there is now a glut in the world market which strengthens the Saudi hand.

Motorists, however, should not

expect petrol prices to fall if top crude prices are cut, market experts said.

They noted that cuts by the others, who now ask from \$36 to \$40 a barrel, according to quality, would almost certainly be matched by an increase in the low Saudi price of \$32, at or soon after the Geneva. Since the Saudis produce a huge proportion of OPEC oil — nearly half although they might soon reduce their output — the net effect in the short term would probably be only a small reduction in the weighted average price which is now just above \$34.

That compares with around \$2 in 1973 when OPEC wrested control of the market from western oil companies. In the view of Sheikh Yamani, it is now time to take the fever out of OPEC pricing.

The Saudis have billions of dollars invested in vulnerable western economies and they are also concerned, according to Sheikh

Yamani, that any further OPEC price shocks might provoke a stampede by the West into alternative energy. That would slash the value of the huge Saudi Arabian oil reserves.

The Saudis therefore seek OPEC acceptance of a totally new pricing formula, whereby gradual, quarterly price increases are indexed to inflation and the West's economic performance.

A 1980 draft of the pricing formula is now being revised and Sheikh Yamani is to chair a meeting of an OPEC committee which is working on this today. But it remains to be seen whether pricing militants, notably Libya and Iran, can agree with the Saudis, in Geneva or at a later meeting, on how prices should move in future years.

OPEC members now charge more or less what they please within a range from the Saudis' \$32 to a theoretical maximum of \$41.

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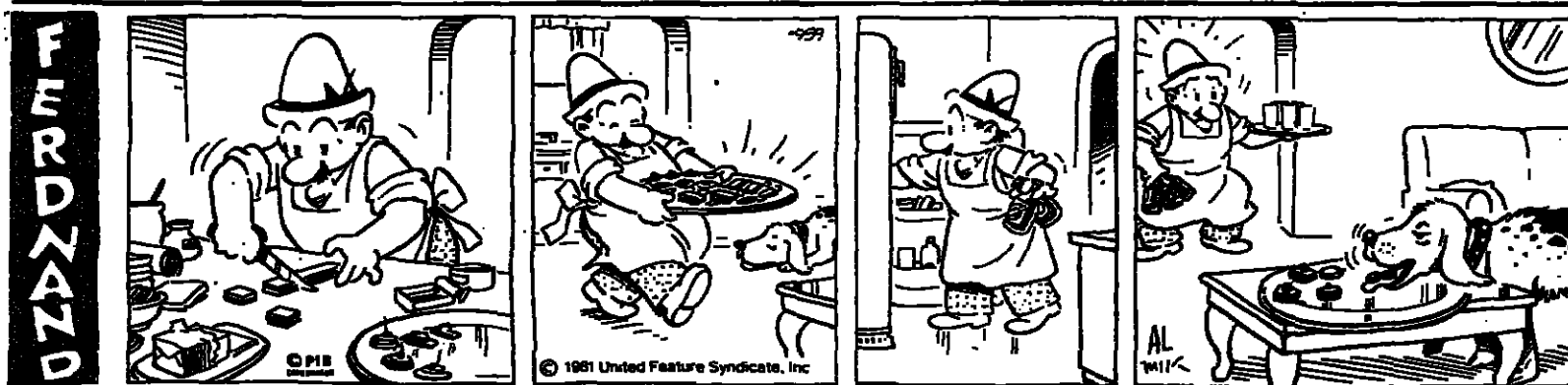
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WHAT'S ON

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Jerusalem Museum
Israel Museum. Exhibitions: Permanent Collections of Judaica, Art and Archaeology. Eretz Israel in Art: 53 Drawings from life by Jean Ingres; Dada and Surrealism and Followers: Asian Art (Museum collection); Holograms. Exhibition of Engravings from Israel and abroad, children's exhibition. Special Exhibit: Commemorative exhibit of Ludwig Blum, Israeli painter of eastern scenes. Special Exhibit: Drawings by Charles Simmonds. Exhibition on retrospective work of Israeli sculptor, Itzhak Danziger. Jews of Kurdistan, Daily Life, Customs, Arts and Crafts. Opens 18.8.

Visiting Hours: Open 10.5. Tomorrow: Main Museum 4.10. Shrine of the Book 10.10. At 11: Guided tour in English. 3.30. Special guided tour in English, Archaeology galleries. 11 and 3.30: "Cat From Outer Space" (Walt Disney), children's film.

Guided Tour in English at Israel Museum: Sun, Mon, Wed., Thur. 11 a.m. Tues. 4.30 p.m. Shrine of the Book: Sun, Mon, Wed., Thur. 10 a.m.-5 p.m. Tues. 10 a.m.-10 p.m. Fri. 10 a.m.-2 p.m. Rockefeller Museum Sun.-Thur. 10 a.m.-5 p.m. Fri., Sat. 10 a.m.-2 p.m.

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Rehovot
The Weizmann Institute. Open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on Institute's research activities, shown regularly at 11.00 a.m. and 3.15 p.m. Friday 11.00 a.m. only. Tours of the Weizmann House every half hour from 10.00 a.m. to 3.30 p.m., Sunday to Thursday. Nominal fee for admission to Weizmann House.

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SUNSET-SUNRISE

Sunrise, 05.06 Sunset tomorrow, 18.24

TWO-IN-ONE CROSSWORD

CRYPTIC PUZZLE

Use the same diagram for either the Cryptic or the Easy puzzle

ACROSS

3 Burning palms possibly? (5)

8 Figure a complaint to be general (5)

10 A tasteful shade of brown (5)

11 Standard of play (3)

12 Snap the brake? (5)

13 As taught by past master? (7)

15 Stop putting a key in a box (5)

18 Exist as a unit (3)

19 Relets in nominal fashion (6)

21 Like ears ready to ring? (7)

22 What a dog may do, the cad! (4)

23 A word from Mr. Mackintosh (4)

24 Person forming part of a unit? (7)

26 A levy on the boss, from the sound of it? (6)

29 Member of the rodent fraternity (3)

31 Seat made with tools (5)

32 She's brave, but sounds dopey (7)

34 Look at books (5)

35 Give a leathery (3)

36 Figure a way to get the minimum (5)

37 Group involved in a plane wreck? (5)

38 The bitten through part? (5)

DOWN

1 Quick to sort out a drip (5)

2 Nip that dog-end! (7)

4 Fairy light? (4)

5 Quietly done up and put in position (6)

6 Bill is up to some jokes (5)

7 Veers around making up poetry (5)

9 Talk in short gasps? (7)

12 Brotherly beast of crafty character (4, 3)

14 It can be mined in the poorest land (3)

16 Make up for a wrong note (5)

17 Flynn, right in the wrong role? (5)

19 Young fast runner (7)

20 Game you need a set for (5)

21 Stopped Roslyn taking him in (5)

23 All together, now! (2, 5)

24 A handy greeting (6)

25 Rower in the style of "14 Down"? (3)

27 Say in a muttering tone (5)

28 A drink with the mixer, perhaps (5)

30 Bull ring! (5)

32 A tip to help you get thin? (4)

33 I get a bit of a hand from him (3)

EASY PUZZLE

ACROSS

3 Soother (5)

8 Pretty (5)

10 Audibly (5)

11 Set down (3)

12 Snake (5)

13 Take prisoner (7)

15 Hearth (5)

18 Anger (3)

19 Dehorn (6)

21 Memory loss (7)

22 Cavity (4)

23 Greedy (4)

24 Put back (7)

26 Bumper (6)

29 Groove (3)

31 Liberated (5)

32 Train of attendants (4)

34 Pulped food (5)

35 Soak (3)

36 French wine (5)

37 Garret (5)

38 Looks after (5)

DOWN

1 Tooth (5)

2 No matter when (7)

4 Plant with bitter juice (4)

5 Yacht harbour (6)

6 Slope (5)

7 Brass instrument (5)

9 Brief rest (3)

12 Climbing plant (7)

14 Large vase (3)

16 Item of clothing (5)

17 Eat away (5)

19 Liverpool race-course (7)

20 Tease (5)

21 By oneself (5)

23 Entertainer (7)

24 Lesson (6)

25 Unconscious (3)

27 Went wrong (5)

28 Storehouse (5)

30 Eros (5)

32 Study (4)

33 Negative (3)

Solutions to today's puzzle tomorrow

Unit	Price
US dollar	12.4370
British sterling	22.3058
French franc	4.9071
German mark	2.0456
Italian lire	4.4209
Japanese yen	5.6926
Swiss franc	2.3223
Spanish peseta	1.9888
Portuguese escudo	1.5570
Dutch guilder	2.6672
Australian dollar	10.0908
Canadian dollar	14.1328
New Zealand dollar	13.0402
South African rand	2.9940
Indian rupee	6.9920
Pakistani rupee	0.9862
Chinese yuan	5.3082
Thai baht	36.07
Israeli sheqel	2.70

Money Matters

מכאן אל האשכול

Youth saving

Jerusalem Post Reporter
After a year's experience with juvenile checking accounts, in which youngsters have proved that they are financially more responsible than the average bank customer, the Israel Discount Bank has decided to raise the ceiling on withdrawals by cheque to IS150, and to IS100 from the automatic tellers.
Since the introduction of the Discount Bank's "up to 18" accounts a year ago, thousands of minors have opened such accounts.

By JOSEPH MORGENSTERN

Post Financial Reporter

TEL AVIV. — The share market put in a spotty performance as a part could only put in a mixed performance while other securities fell by margins that ranged as high as 10 per cent. Trading turnovers rose considerably and totalled more than IS323m.
The index-linked bond market reflected a lack of surprise at the 6.1 per cent rise in the cost-of-living index for July and prices were mostly unchanged. Trading was relatively high and crossed the IS44m. mark.
The news that Bank Hapoalim is entering the new issue derby

Spotty trading in shares

Tel Aviv Stock Exchange

touched off a IS10m. demand for the shares. Their price was neatly controlled and it rose by only five points. News of the increase of the size of the Bank Leumi issue was taken in stride with a IS1.8m. demand, not enough to budge the price of the shares which traded unchanged. IDB, which is not involved in a financing issue, eased by five points in reaction to a small offer for sale. Danot, however, came under heavy selling pressure. The IS1 shares were down by 4.4 per

cent while the IS5 shares were being clubbed for a 10 per cent loss. The Danot option was down by 10.9 per cent while the warrants were 8.6 per cent lower.
Mortgage bank issues were moderately lower.
The selling wave began in earnest

when trading turned to insurance equities: Phoenix 0.1 and Yardenia 0.5 were the hardest hit with losses of 10 per cent. Reinsurance 0.1 was an 8 per cent loser.
Gold storage, among service companies, was down a full 10 per cent.
Land development and real estate stocks were mostly mixed. The Rasco shares moved against the general market trend. The preferred stock was up by 10 per cent while the ordinary shares were "buyers only."

Industrials were typical of the general market movement. Part of the shares were mixed while others were clearly lower. Argaman Pref. (R) was down by 10 per cent while the bearer shares went up by a similar figure. Lodzia 0.4 was "sellers only" as Taal (R) was a 10 per cent loser. Frutarom was clipped for a loss of more than 6 per cent. A standout were the Elco 0.1 shares which zipped ahead by 15 per cent. The shares of Man did not trade yesterday as the company announced its intention to pay shareholders 50 per cent in bonus shares.

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81.

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EATING OUT IN TEL AVIV

Following the success of Eating Out in Jerusalem, which appears every Tuesday, we will shortly be starting an advertising guide to cafes and restaurants in the Tel Aviv Area.

For details, call Shuli Gugenheim at the Jerusalem Post - 03-294222.

Commercial Banks & Bankholding

Bank	Price	Volume	Change	%
IDB prf	1215.00	1.8	-150.0	-12.3
IDB	1832.00	1.03	-5.0	-0.3
IDB B	1537.00	35.3	n.c.	-
IDB prf A	3206.00	1.0	n.c.	-
IDB prf B	3111.00	1.0	n.c.	-
IDB prf C	2480.00	14.2	-10.0	-0.4
IDB prf D	2810.00	24.6	n.c.	-
IDB prf E	2468.00	17.3	-10.0	-0.4
IDB prf F	1370.00	31.4	n.c.	-
IDB prf G	1510.00	10.6	-20.0	-1.3
Union prf	1345.00	487.2	-16.0	-1.2
Union prf A	2730.00	35.3	n.c.	-
Union prf B	1310.00	3.2	-60.0	-4.7
Union prf C	2100.00	73.8	-30.0	-1.4
Union prf D	1090.00	56.9	-4.0	-0.4
Union prf E	770.00	3.9	-20.0	-2.5
Discount A	4229.00	438.0	-20.0	-0.5
Discount A prf	4229.00	434.0	-20.0	-0.5
Discount A prf B	1280.00	28.8	-5.0	-0.4

Financing Institutions

Bank	Price	Volume	Change	%
Shitron prf	119.5	334.3	-2.0	-1.7
Shitron B	261.0	2.0	-18.0	-6.5
Shitron prf A	177.0	2.9	-14.0	-7.3
Shitron prf B	288.0	22.3	+1.0	+0.3
Shitron prf C	102.0	21.2	-2.0	-1.9
Shitron prf D	94.5	65.8	+4.0	+4.4
Shitron prf E	141.0	10.2	-9.0	-6.0
Shitron prf F	168.0	-	-3.5	-2.0
Shitron prf G	830.0	340.4	-20.0	-2.4
Shitron prf H	830.0	166.8	-20.0	-2.5
Shitron prf I	1310.0	37.8	-40.0	-3.0
Ampr	-	-	-	-
Agriculture prf A	2380.0	9.1	+10.0	+0.4
Ind Dev prf A	950.0	13.1	+35.0	+3.7
Ararat prf A	350.0	38.7	n.c.	-
Cit Lease 0.1 r	340.0	23.6	n.c.	-
Cit Lease 0.5 r	545.0	16.6	n.c.	-

Insurance

Bank	Price	Volume	Change	%
Aryeh r	789.0	145.7	+34.0	+4.4
Aryeh prf	4900.0	-	n.c.	-
Aryeh prf B	451.0	2.0	n.c.	-
Ararat 0.1 r	2240.0	5.9	n.c.	-
Ararat 0.5 r	731.0	67.6	+26.0	+3.6
Reinsurance 0.1 r	920.0	3.7	-80.0	-8.0
Reinsurance 0.5 r	325.0	99.3	-15.0	-4.4
Haasneh r	711.0	124.8	-18.0	-2.5
Haasneh prf	892.0	43.1	-20.0	-2.2
Haasneh prf B	696.0	61.6	-16.0	-2.3
Haasneh prf C	720.0	11.6	-63.0	-8.0
Haasneh prf D	465.0	34.8	-17.0	-3.5
Phoenix 0.1 r	578.0	32.8	-64.0	-10.0
Phoenix 0.5 r	510.0	6.0	-45.0	-8.0
Yardenia 0.1 r	880.0	8.9	-14.0	-1.6
Yardenia 0.5 r	452.0	32.6	-48.0	-10.0
Sahar r	910.0	22.5	n.c.	-
Sahar prf	880.0	29.6	+17.0	+2.0
Sahar prf B	310.0	59.9	-3.0	-1.0
Securitas prf	-	-	-	-
Securitas prf B	-	-	-	-
Zur r	4451.0	57.3	-20.0	-0.4
Zur prf	4481.0	20.8	-22.0	-0.5
Zur prf B	327.0	53.1	n.c.	-

Commercial Services & Utilities

Bank	Price	Volume	Change	%
Delek r	4737.0	190.8	n.c.	-
Delek prf	4744.0	18.5	+6.0	+0.1
Delek prf B	4540.0	5.7	+40.0	+0.9
Hatchol 1	177.0	24.0	-1.0	-0.6
Hatchol 2	154.0	82.4	+4.0	+2.6
Hatchol 3	-	-	-	-
Hatchol 4	-	-	-	-
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Editor and
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Erwin Frenkel
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Av 17, 5741 • Shavvat 17, 1401

A cultural conflict

FOR YEARS — indeed for decades — the non-Orthodox majority in this country lived under a constant threat of a looming *Kulturkampf*. To avoid that dread ordeal a whole series of concessions to the Orthodox minority were legislated as a matter of national urgency. These often spelled special rights for the minority, and measures of religious coercion aimed at the majority, that went against the grain of modern Israel's way of life. At times these measures were in outright violation of the Declaration of Independence itself.

These concessions were justified by reference to the larger cause of the Jewish state's survival in conditions of siege. The maintenance of what came to be known as the *status quo*, a dubious term if there ever was one, was held to be the only hedge against a "war of cultures" which represented a luxury Israel could ill afford.

Like several other luxuries it still cannot afford, the country may now have been plunged right into a first-class *Kulturkampf*, after all: this is what the Mea She'arim "zealots" seem to have achieved by their assault on the archaeological team digging up Jerusalem's City of David.

The forces arrayed are admittedly of very unequal strength. The majority is large but highly inert, flabby and listless, and used to giving in to its opponent in the name of the national interest. The minority, spearheaded by a tiny group that barely even condescends to recognize the state in which it lives, is utterly resolute and greatly emboldened, too, by the knowledge that the government of the day is overwhelmingly on its side.

Nevertheless the war seems to have finally been joined, and if the majority only wakes up to its inherent might, and stands its ground, it may yet be able to stem the insolent tide of extremist Orthodox aggression. The alternative is to concede the country to the theocratic minority.

This is the real issue at stake in the City of David excavations, and not the fervid imaginings by some hotheads that they observed human bones at the dig. The latest coalition agreement, going beyond the existing law although claiming to follow it, issued a blanket prohibition on all graveside excavations, of all periods. But that agreement still charitably left the determination of the actual existence of graves to the scientists engaged in the dig.

"The Chief Rabbinate," it stated, "must be notified in writing of the graves and it will rule on how to proceed." But now this "written law" expansion of rabbinical authority has been further extended, through an "oral law" interpretation by Dr. Yosef Burg, the religious affairs minister. Sitting in for his NRP colleague, Zevulun Hammer, the education minister, he has granted the Chief Rabbinate (for practical purposes Rabbi Shlomo Goren) the right to rule whether a certain site is or is not a cemetery to begin with.

Thus the coalition agreement should be rephrased to read: "The Chief Rabbinate will notify the government in writing on how to proceed in respect of a site it has decided is a grave."

It cannot be too strongly emphasized that, if this new ruling is enforced, it will be the death of archaeology in grave-stricken Eretz Yisrael. But this is the least of what it might do. For it would herald the final push for a complete takeover of the life of the country, from the cradle to the grave, by the rabbis.

Perhaps, though, not all. There are in fact some vast areas of life — notably those areas of social ethics in which the clergy, including the Jewish clergy, in many other countries take prime interest — which are totally neglected by our own rabbis. But most everything else could now be met for rabbinical control: what a Jew does, what he reads, what he watches, even what he says — how he comports himself in the street, at home, at work and at school.

If this seems an overwrought prediction of Israel's doom as a functioning democracy, it is only because the secular majority has come to view something like Rabbi Goren's conduct in the City of David controversy as less than a perfect outrage. The battle is not lost, but the challenge flung by the clericalists must be properly answered.

Unless the libertarian majority comes out fighting, in real earnest, it will indeed soon find the whole country becoming patterned after Bnei Brak, and its own life rounded with halachic injunctions issuing from Hechal Shlomo.

Thirty years of Bonds

THIRTY YEARS have passed since David Ben-Gurion, then Prime Minister of Israel, went to America for the first time after the state of Israel was established, and introduced the revolutionary concept of State of Israel Bonds. Bonds have since then become such an integral part of the American Jewish Communal scene that even some of the delegates, at present in Israel for the Thirty Year Conference, may not remember, or may not know, what a controversial innovation Bonds were.

Donations to the Jewish Homeland through the UJA, the Keren Hayesod and the Keren Kayemet were deeply rooted in Diaspora Jewish life long before 1948. In fact, such a system of practical help and spiritual identification had been conceived by Theodor Herzl at the time of the first Zionist Congress in 1897. These donations should not be regarded as philanthropy, they were pledges of support for the Jewish state on the way.

But Bonds constituted a completely new idea, one that could only exist after the Jewish state was established, sovereign and accorded wide international recognition. Because what Ben-Gurion sought — demanded — were not donations, but loans, repayable loans, made to the state.

Admittedly, anybody making a loan to the state at that time was asserting an act of faith rather than looking for a cautious investment. Israel was near bankrupt, was uncertain where to find the money to pay for the next shipload of wheat from which to make bread. Rationing was more severe than it was in England during the Blitz.

But the American Jews believed, and they produced the money. In 30 years, they have invested no less than \$5.2 billion in Bonds. It is a source of great pride that Israel has never defaulted when a repayment fell due.

The fruits of this act of faith can be seen everywhere in the country, in every major project the state has undertaken. Delegates to the conference, as they travel around Israel, have a right to identify with the country's development.

POSTSCRIPTS

PS. THE PLANETS Uranus and Neptune are not covered with frozen ammonia and methane as some scientists say, but they might be covered with another kind of glittering ice — diamonds.

That's the conclusion of a physicist who says that the extremely high temperatures and pressures on the two planets might have converted carbon to diamonds.

The latest theory says the planets are made of rocky cores surrounded by a layer of ice, ammonia and methane (natural gas) and an outer layer of hydrogen and helium.

But Dr. Marvin Ross of the Lawrence Livermore National Laboratory in California says the methane has separated into the carbon and hydrogen atoms that form it and that the carbon atoms have been squeezed into a layer of diamonds or metallic carbon.

His report appears in the current issue of the British scientific journal *Nature*.

PS. FOLLOWING a restaurant review in which *The Jerusalem Post* food editor referred to an upcoming Jerusalem eatery as the world's first Japanese kosher restaurant, a number of readers wrote and called to inform us that there is already a Japanese kosher restaurant in — where else? — New York. Eventually, we also received a letter from the proprietor of the restaurant!

"The world's first kosher Japanese restaurant and night club is ours, the Shalom Japan, in New York City. We opened about a year ago, and thank G-d we are successful. Since we opened we have had many important people here, including the mayor of a new city in Israel and a congresswoman from New York. We also had a Purim party for Israel embassy staff. Sincerely, Miriam Mizkura."

A thousand apologies to the world's first kosher Japanese restaurant, Shalom Japan, 22 Waverly Street, New York.

MYTH OF THE 'JEWISH MIND'

The idea that 'somehow we'll find a way to extricate ourselves from the crunch' has prevented a more systematic and rational approach to political problem-solving, writes SHEVAH WEISS.

AS ON SIMILAR occasions in the past, the formation of a new cabinet puts the problems of the government's structure and functioning on the national agenda.

In a democratic regime which is divided into several branches, according to the doctrine of "separation of powers," the executive branch still has overwhelming importance. No democratic system has really succeeded in putting the executive arm on an equal footing with, or completely subordinate to, the other branches — the legislative and judicial.

The structure, composition and operation of the executive is, therefore, the most sensitive area of the government.

If the cabinet has become the most important centre of decision-making, then the office of prime minister stands out in relation to the body he heads.

Prof. Yehezkel Dror has written that the problems faced by the modern state usually transcend the narrow jurisdictions defined by specific ministries.

The solutions to these problems are often to be found at the inter-ministerial level, where the coordination and leadership exercised by the prime minister are crucial.

Furthermore, the moral and political stature of the cabinet depends largely on the personality of the premier and the manner in which he reacts to, or shapes, the historical and geo-political pressures in which he finds himself.

WHILE THE LAW now permits the prime minister to dismiss individual ministers without forcing the resignation of the entire cabinet, in practice this power is neutralized by coalition and internal party constraint.

Thus, the premier's success at navigating his cabinet depends more on his personality and leadership capacity than on formal constitutional devices.

But in another sense, his authority is strengthened by the coalitionary structure, since ministers representing different parties sometimes appeal to the premier to resolve their disputes.

Menachem Begin's previous government, and others in the past, often dealt with problems by "putting out fires" as they flared up, not by trying to anticipate them.

One has the impression that some governments or ministers actually prefer to act in an atmosphere of alarm and improvisation. This has contributed to a reluctance to formalize the policy-making process.

READERS' LETTERS

CHRISTIAN SUPPORT
To the Editor of *The Jerusalem Post* Sir, — In times of great stress and growing isolation for the State of Israel, we, as Christians who want to express our feelings of solidarity and genuine respect for the Jewish people, feel compelled to raise our voices against a one-sided condemnation of Israel and the lack of understanding for her circumstances in our home countries.

We thought that it might encourage your readers to know that there are many people who care. Many letters went out to addresses in our home countries, written by the inhabitants of our settlement to their circle of friends, as well as officially to the boards of the Nes Ammim organizations, churches and national and church papers in the different countries of Europe and America where we come from.

Thus, we hope to explain some of the basic facts of the Jewish experience, which Christians keep forgetting, even after the terrible years of 1930-1948.

J. VRIEZE, Nes Ammim, Christian Settlement in Israel

POSTAL RECORD
To the Editor of *The Jerusalem Post* Sir, — I am glad to report to your readers that a letter written and mailed in Tel Aviv on July 28 (of this year) reached me on July 30 at 9 a.m. in St. Moritz, Switzerland, which is a four-hour train journey from Zurich.

I believe the speedy arrival of the letter, which was not sent special delivery, is a record worthy of the highest praise. Alas, why is such speedy delivery not possible in our own country?

Z. PRIEL, St. Moritz (Tel Aviv).

and which draws inspiration from historical traditions, such as the encounter between David and Goliath.

The idea that "somehow we'll find a way to extricate ourselves from the crunch" has prevented a more systematic and rational approach to political problem-solving.

Moreover, Begin, with his strong historical sense and religious bent, often ends up in situations where he confounds fact and fantasy.

Now a sense of vision has its place in politics; but it would be preferable if the man who bears so much responsibility for the nation's fate seeks the assistance of experts in making decisions.

IMPROVED PERFORMANCE of the cabinet could be accomplished by putting professional planning and policy-analysis staffs in the Prime Minister's Office. Their functions would be firstly, to ensure that the main policy proposals of cabinet members or their ministries are examined with an eye to overall government policy and order of priorities; secondly, to plan, analyse and evaluate policies in order to enhance coordination, prevent duplication and make sure that matters don't fall between ministerial stools; and thirdly, to conduct in-depth studies of major policy issues.

Unfortunately, Begin's governments have done nothing along these lines, and the important first steps taken by Yitzhak Rabin's government have been either shelved or scrapped.

Begin is a man of great self-assurance and sense of historical mission. He prefers spontaneity to the rational instruments proposed here.

It can be demonstrated that a reform of the Office of the Prime Minister, and particularly the creation of professional staffs, could have prevented a number of decisions from being taken by Begin's government that later proved to be hasty and detrimental.

ISRAEL HAS managed to maintain a stable, democratic system over the years despite the prolonged state of emergency and the repeated threats by enemy armies and terrorists. The system also weathered a historical change of ruling party four years ago, in which power was passed to a leader who was once considered a political pariah.

Despite the achievement of a smooth transition, it was still incumbent on the Likud to continue to improve the functioning of the executive branch. For its first four years, the Likud could take the easy way out and dismiss its problems as the legacy of the Alignment, although this was a lame and unconvincing excuse.

Now, however, the Likud's own record may be a legitimate object of criticism.

MOST OF Israel's central government institutions have changed little over the years. Even the series of

basic laws concerning the cabinet and the presidency, passed in the 1960s, preserved an already existing situation.

The basic structure of the cabinet is flexible, permitting a wide range of changes that do not require legislation. Ministries have been created and abolished, mainly for the purpose of coalition-making. But no supreme cabinet bodies, headed by a senior minister, have been established; nor have ministerial coordinating units with the power to make binding decisions.

The most important change in the structure and functioning of the cabinet that occurred since the early '60s was the establishment of the ministerial defence committee. It is far from being an "inner cabinet," although its main aim is to allow other ministers, besides the prime minister and defence minister, to share responsibility for security decisions.

It was not established as a policy-making body whose work would be based on thorough preparation and analysis of the situation.

BEGIN HAS NOT surrounded himself with advisory and coordinating bodies, and he continues to deal mainly with defence and foreign affairs, while practically ignoring domestic issues. He is not actively engaged in coordinating inter-ministerial affairs, except for occasions when he is asked to intervene in disputes between ministers.

After the 1977 elections a few positive changes were made in the cabinet's structure. The police became part of the Interior Ministry, and tourism part of the Ministry of Trade and Industry.

In Begin's second government, though, tourism regained its independence. The implementation of social policy was enhanced by putting the National Insurance Institute and Welfare under the Labour and Social Affairs roof.

But on the whole the old structure remains, with personal and coalitionary considerations still predominant. The cabinet is still in need of a basic overhaul guided by experts.

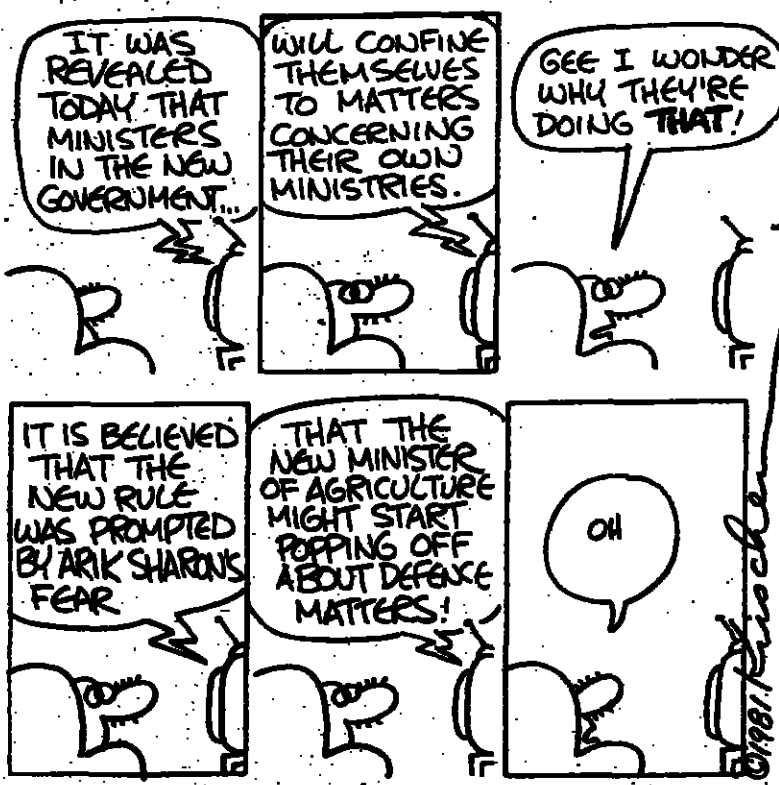
TURNING TO another problem — the government administration — we find that it is an unwieldy, inefficient instrument which often feeds on itself and where duplication is rampant.

When cuts are made in the budgets for social services, for example, the Israeli bureaucratic solution is to reduce the services provided to the public or to make them more expensive, rather than seeking ways of making the administration itself more efficient.

Administrative duplication is found at all levels: between ministries and within ministries, between central and local government and within local government, and between the government and the Jewish Agency.

This extremely costly and wasteful "tradition" in our political system has usually thwarted all attempts at administrative reform.

Dry Bones



Even certain reforms made have not overcome this problem. A Housing and Construction Ministry has been created, but the Israel Lands Administration remains in the Agriculture Ministry and the planning division in the Interior Ministry. The police, instead of merging with the Justice Ministry to make the executor's office a part of the police, was made part of the Interior Ministry.

Now we have two units responsible for executing judgments, but law enforcement is still woefully inadequate, and criminals continue to make a laughing-stock of our inefficient law-enforcement organization.

THE ESTABLISHMENT of the Labour and Social Affairs Ministry has not stopped the competition, at times unbridled, between this ministry and the Education Ministry for control of informal education. Labour and Social Affairs also competes with the Health Ministry in certain areas of medical care.

A whole spate of government bodies collects taxes — income tax, customs, excise and VAT, national insurance, property tax, municipal rates, local business tax, TV and radio license fees, municipal education fees — the list is far from exhausted.

It seems that the citizens of Israel can be grouped into three categories: taxpayers, tax evaders and tax collectors.

In the early 1960s, the Wikon Committee suggested that the collection of central and local government taxes be unified. Only the property tax offices were unified as a result of these proposals, and its success should have inspired further reforms.

THE FIVE central governmental services conveyed by the local authorities — education, culture, health, welfare and religion — have spawned a labyrinth of duplication.

"Has it never occurred to anyone to cut through this morass of duplication and assign it all either to the central or local government?"

In this country of some 3.5 million people, with 20,000 square kilometres of municipal jurisdiction (within the Green Line), there are about 200 local authorities, 150 municipalities and local councils and 50 regional councils. This means 200 salaried local authority

heads, hundreds of salaries, 200 tax collection offices, 200 heads for each department of education, sewage, welfare, culture, sanitation, etc. Not to mention tens of thousands of lesser workers in local government.

All proposals for setting up metropolitan area governments for the Dan Region and Haifa have been ignored. So have proposals to incorporate small settlements into neighbouring larger localities.

Local government often imitates the feudal structure and mentality of the central government: each department is the fief of a certain politician or party, and woe to be unto him who infringes on its prerogatives.

THIS HAS serious implications for the construction of public buildings, since each department builds its own facilities.

In most places in Israel, schools are closed in the afternoons, while youth clubs are open in the afternoon and community centres in the evening. There are separate buildings for sports, music, libraries, hobbies, memorials for war dead, etc.

All attempts at building multipurpose structures have failed. The feudal divisions within local government have produced a wild growth of unnecessary public buildings.

Duplication thus costs the economy enormous sums in salaries for armies of clerks and officials, office expenses and superfluous facilities. A system that encourages waste and penalizes concern for public money must also share responsibility for the corruption occasionally revealed in government.

From an "under-institutionalized" society in the making some two generations ago, Israel has reached the paradoxical situation today of "over-institutionalization."

Governments since 1965, and especially during 1974-77, began to take steps to change the patterns described here. But since 1977, the trend towards administrative and governmental reform has slowed down.

The fragile nature of the new coalition does not augur well for the renewal of reform.

The author is professor of political science at Haifa University and a Labour MK.

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